

World

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Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Airline Copy / Not for resale **R

Paris, Thursday, December 15, 1994

No. 34,772

Americans Take Lead In Europe's New Banking

By Alan Friedman
International Herald Tribune

PARIS — Call it Wall Street versus Europe's Old Guard, or just healthy competition.

Whatever you call it, there is little doubt that American investment-banking firms are busy snatching business away from the blue-chip institutions that were once the uncontested kings of European corporate finance.

Put simply, Wall Street firms are the big beneficiaries of Europe's growing recovery, corporate restructuring and the widespread push by governments toward privatization. All of this implies more business in mergers, acquisitions, capital raising and the handling of privatization deals for governments.

European firms, while still commanding an enormous chunk of the market, are increasingly seen as being less fleet-footed than their American competitors and having less clout internationally. In some parts of Europe the homegrown institutions have the additional handicap of being less aggressive in the search for new deals, having flourished in a closed and often clubby environment.

The numbers tell part of the story: In the first 10 months of 1994, 6 of the top 10 advisers in takeover deals targeting European companies were American institutions, according to IFR Securities Data of New Jersey. By Dec. 9, American firms had handled 284 European corporate deals with a total value of nearly \$31 billion.

At Goldman Sachs, perhaps the American firm with the strongest presence in European corporate finance, the Europe-based staff has grown by 84 percent since 1990, to 2,087 people. Revenues from Europe last year amounted to an estimated \$1.5 billion, or 27 percent of the Goldman group total, compared with 10 percent in 1990.

The same is not true in Asian markets, and especially in Hong Kong, where several American firms are now scaling back their ambitions and staffs. Jon S. Corine, chairman of Goldman Sachs, conceded in an interview that the staff expansion had been slightly overdone in Asia, where his company is now trimming its work force. "It's a question of pacing," he said.

In Europe, though, the growing strength of the Wall Street firms was evident recently when Goldman Sachs was chosen to flank Deutsche Bank and Dresdner Bank as a coordinator of the multibillion-dollar planned privatization of Deutsche Bundespost Telekom. In that deal alone, which is expected to amount to a \$10 billion share sale, Goldman could earn fees of more than \$50 million.

The stakes are high indeed: A recent report by Morgan Stanley estimated that European privatizations between 1993 and 1998 may total as much as \$150 billion, which means that potential fees for successful investment bank advisers could be more than \$4 billion.

Morgan Stanley — which recently unveiled plans to merge with S.G. Warburg of London in what amounts to a spectacular takeover of a European firm by Americans — has also been blazing ahead in the Continental market. It is currently an adviser in the expected multibillion-dollar sale of shares in STET, the telecommunications subsidiary of IRI, the jumbo Italian state conglomerate.

Romano Prodi, the former chairman of IRI, explained in an interview why Americans are interested in Europe's new markets.

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Chechen soldiers running from a Russian military helicopter on Wednesday, fearing that it might explode after they shot it down near the village of Shaanry-yurt.

Face-Off for a U.S. Carrier and Chinese Submarine

By Jim Mann and Art Pine
Los Angeles Times Service

WASHINGTON — The U.S. aircraft carrier Kitty Hawk and a Chinese nuclear submarine squared off in international waters off China's coast this fall in an encounter that demonstrated the growing potential for naval conflict between the United States and China.

Shortly after the Oct. 27-29 incident in the Yellow Sea, China served notice through a U.S. aide in Beijing that the next

time such a situation arose, China's orders would be to shoot to kill. Pentagon officials confirmed this week.

Although no shots were fired, U.S. officials acknowledged that it was serious. The captain of the Kitty Hawk sent S-3 anti-submarine aircraft to drop sonic devices to track the submarine, and Chinese Air Force jets scrambled and flew within sight of the American planes.

Finally, after the Chinese submarine withdrew to Qingdao, the main naval base on China's east coast, the U.S. carrier was

pulled out of the area. The Kitty Hawk, whose home port is San Diego, had been used earlier in the Gulf and off the coast of Somalia before it was transferred to an American base in Japan last July.

[The Kitty Hawk was following standard procedure in tracking the submarine, Agence France-Presse said Thursday, quoting Mike McCurry, the State Department spokesman.]

[But Mr. McCurry said the Chinese had not passed formal warnings through diplomatic channels.]

[He would not discuss military particulars, but confirmed that the encounter had occurred in international waters. "What the Kitty Hawk did was standard procedure," he said. These procedures include making "defensive efforts," he said.]

The encounter underscored the growing maritime tensions between the U.S. Pacific Fleet and China, which is rapidly developing a blue-water navy. U.S. officials say they found the nuclear submarine in open

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NATO Prepares To Strengthen UN in Bosnia

By Bradley Graham
Washington Post Service

BRUSSELS — Defense ministers of the NATO countries involved in Bosnia agreed Wednesday to have their military chiefs of staff meet next week to draft recommendations for bolstering UN peacekeeping operations in the Balkans.

European governments continued to back away from warnings, issued a week ago, of an imminent withdrawal of their troops from Bosnia. But their renewed commitment to stay depends on reaching consensus about new measures to safeguard the peacekeepers from Bosnian Serbian harassment and to improve UN effectiveness in delivering humanitarian aid.

The only firm consensus to emerge Wednesday was that something must be done to bolster the UN force and to demonstrate that the force still is worth supporting, according to U.S. officials.

[Radovan Karadzic, leader of the Bosnian Serbs, said Wednesday evening that Jimmy Carter, the former U.S. president, would visit Bosnia "in the next few days" for peace talks.]

[In return for the visit, Mr. Karadzic told CNN, he had agreed on several measures to be carried out Thursday, including free movement for UN aid convoys, a ceasefire in and around Sarajevo and freedom for younger prisoners of war.]

Military chiefs of staff, joined by UN commanders, will meet in The Hague on Monday and Tuesday to assess possible changes in the UN force.

Proposals under discussion include consolidating UN units, which currently are scattered across roughly 20 sites in Bosnia, into fewer, more easily defended "stockades"; fortifying a supply corridor from Croatia's Adriatic coast to Sarajevo; improving security in the UN force.

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Court Dashes French Tycoon's Dreams

The Associated Press

PARIS — Bernard Tapie, the flamboyant French politician and tycoon, was declared bankrupt Wednesday in a court ruling that would ban him from holding or running for elective office for five years.

The Paris Commercial Court ruled that the brash tycoon, beleaguered for months by legal woes stemming from the crumbling of his business empire, was unable to cover the debts of two companies for which he is liable.

Mr. Tapie announced he would appeal, but if the ruling stands he will lose his seats in the European Parliament and the French National Assembly and cannot run for office again for five years.

The ruling, effective immediately, dashes the former leftist cabinet minister's dreams of being elected mayor of Marseille and takes him out of the contest to succeed President Francois Mitterrand next spring.

Estimating the personal debts of Mr. Tapie and his wife, Dominique, at 53 million francs, or \$9.8 million, the court said that "the couple's liabilities far outweigh their assets."

René Monory, centrist president of the

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Mr. Tapie leaving the Paris court that declared him bankrupt Wednesday.

Peru's War on Terrorists Is All but Won

By Calvin Sims
New York Times Service

AYACUCHO, Peru — The main plaza of this Andean town is buzzing with activity: vendors hawk their wares, schoolboys playing soccer, students arguing politics and lost tourists seeking directions.

These lively streets provide the best evidence that the Peruvian government has all but won the war against the Shining Path guerrilla movement.

It was in 1980, at the University of Ayacucho, that Abimael Guzman Reynoso founded the Maoist group, which has killed more than 30,000 people in its quest to turn Peru into a cooperative farming society.

And it was here that the reign of terror was most strongly felt. A few years ago, gunfire and explosions were heard throughout

the day and well into the night as the Shining Path and the army battled each other.

Almost everyone in this war-scarred town of 100,000 people has a relative or friend who was killed. Nearly a third of the population fled for safety in Lima, the capital, 325 kilometers (200 miles) away. Those who remained dared not go out after dark.

"When this city was dominated by the Shining Path, there was an ever-present fear and terror," said Jorge Garcia Prado, who was mayor from 1983 to 1989. "There was no joy, no happiness, no social life. So many of our family and friends were killed that we had no more emotions. We were like the walking dead."

Today, following the capture of Mr. Guzman and most of

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Rebels Down A Russian Helicopter In Chechnya

Moscow Repeats Threat To 'Use All Means' to End Secession Struggle

By Alessandra Stanley
New York Times Service

MOSCOW — Chechen separatists, hastily responding Wednesday to their president's televised appeal to "fight the Russians until they die of exhaustion and hunger," shot down a Russian helicopter 40 kilometers west of the capital, Grozny, and attacked the Russian troops now ringing the city with everything from grenade launchers to Molotov cocktails.

Film taken after the Russian helicopter was shot down shows Chechen soldiers throwing the co-pilot, who may have been alive, in a ditch by the side of the road. The pilot was killed in the crash.

Thursday is the deadline President Boris Yeltsin of Russia has given for the separatist rebels in Chechnya to lay down their weapons. In a statement Wednesday night, the government here repeated its threat to "use all means necessary to restore order" in the region, which is a part of Russia.

"We confirm our intention to put an end to the bloodshed in the zone of the Chechen conflict," said the statement, released in the name of the government. "Those who fail to lay down their arms by Dec. 15 will be responsible for the consequences of their criminal recklessness."

But the chances for peace in the northern Caucasus grew less likely by the hour on Wednesday after the Chechen delegation walked out of truce negotiations in Vladikavkaz, 80 kilometers (50 miles) from Grozny. Instead, pitched battles erupted at several central points near Grozny. Russian television on Wednesday night showed film of dozens of houses aflame in the village of Pervomayskaya, 16 kilometers northwest of the capital. Russian forces there launched missile attacks, according to reports from the scene.

A Russian cabinet official, Nikolai D. Yegorov, told the Interfax news agency that Russian troops would not storm Grozny before Thursday. It was the first time a senior Russian official had implied so directly that Russian forces were prepared to do just that.

Grozny seemed under siege Wednesday, according to reports from inside the city. Streets were deserted, many shops were closed, and prices for increasingly scarce goods shot up.

At the other side of the Chechen border, nervous Russian officials kept a tight lid on information, banning reporters from visiting military hospitals, interviewing soldiers or even entering the Russian military command post of Mozdok.

Sergei Kovalyov, the head of the human rights commission of the Russian Parliament, had planned a fact-finding mission to Chechnya, but after initially agreeing to take him, the Russian military dropped him off at an airfield near Moscow. In response, he said he would walk to Grozny if nobody would permit him to fly there.

Vice President Al Gore arrived in Moscow on Wednesday and, while the issue of Chechnya will clearly be addressed in discussions with Prime Minister Viktor S. Chernomyrdin, Washington repeated its general support of Russia and its desire not to interfere in what it views as an internal Russian dispute.

But in Moscow, supporters and opponents of President Yeltsin warned that Russia seemed on the verge of embarking on a long, hopeless struggle for a region it could almost never hope to fully control.

"You would have to know absolutely nothing about Russian history to behave in the Caucasus like a bull in a china shop," Vyacheslav Shostakovskiy, a liberal member of the parliamentary faction headed by Grigori Yavlinsky, said in an interview. "The war Russia fought for decades under the czars never led to victory even though Russia had an army with the same strength as the one that defeated Napoleon. The war ended only when it was resolved that people in the Caucasus could live as they pleased."

Newspaper editorialists and liberal politicians attacked the president, questioning the timing of the invasion and voicing a common concern that the political tensions and fears will be used as a pretext to introduce a state of emergency in Moscow and other major cities where Chechens live and work.

Guess What Is Towering, Prehistoric and Still Alive in Australia

Compiled by Our Staff From Dispatches

SYDNEY — Scientists have discovered a real-life Jurassic Park. There are no dinosaurs in this lost world — just 39 prehistoric pine trees that were thought to have been extinct.

The trees, related to a species that existed 150 million years ago, have been found west of Sydney, but the New South Wales government said Wednesday that it would keep their exact location secret to ensure their safety.

The previously unknown trees, some measuring 40 meters (130 feet) tall and three meters in diameter, are in a deep gorge in the Wollemi National Park, about 200 kilometers (125 miles) west of Sydney in the Blue Mountains. They have been named the Wollemi Pines.

"The discovery is the equivalent of finding a small dinosaur still alive on Earth," said Carrick Chambers, director of the Royal Botanic Gardens. He said Wednesday that the only other discovery of its kind

was in 1944, when another prehistoric tree species was found in China.

"It really is a living fossil," said Barbara Briggs, the institution's scientific director.

A National Parks and Wildlife Service officer, David Noble, came across the trees while exploring a 600-meter (965-foot) gorge in the park in August.

"Initially, I didn't think it was anything new," he said Wednesday.

The trees, covered in dense, waxy foliage with distinctive bubbly bark that makes them look as if they are coated with brown chocolate, occupy a tiny 5,000-square-meter grove of prehistoric rain forest in the 500,000-hectare park.

So far, 23 mature trees and 16 younger ones have been found, making them also among the world's rarest plants. The oldest tree is believed to be from 200 to 300 years old.

While the trees can be identified as pines, or conifers, their closest relatives are extinct plants only found in fossils from the Jurassic and Cretaceous periods about 65 million to 200 million years ago, said Ken Hill, a botanist with Sydney Botanic Gardens.

"This is probably one of the most significant botanical finds of this century," Mr. Hill said. "It's a very exciting find."

The discovery of the trees had been kept a secret with only a few scientists notified, but a Sydney newspaper broke the story on Wednesday, prompting the New South Wales government to confirm their existence.

"Their location is going to be kept secret and we will be ensuring that, both in a security sense and from a fire protection point of view, because we don't want this unique area trampled upon or damaged in any way," said the New South Wales environment minister, Chris Hartcher.

The fact that such a large plant can go undiscovered for so long is a clear indication that there is more work to be done before we can say we understand our environment," he added.

Ms. Briggs compared the discovery of the pines to those of the coelacanth fish in 1938 off Madagascar and the dawn redwood tree in 1944 in China.

Once, the Wollemi Pines would have covered vast areas of the world, but as the climate changed the few remaining trees survived only in this damp, protected gorge.

"This is a plant family that was widespread, including the northern hemisphere," she said, before the "great extinction" when "we lost the dinosaurs."

"It's been in a very sheltered spot and I think it's escaped fire for a very long time," she said.

"It's extremely inaccessible," Mr. Hartcher said. "It's a good day's walk for anybody who wants to walk to the area. There are no paths there."

(AP, Reuters)

Kiosk

California Plane Hits Building

FRESNO, California (Reuters) — A California Air National Guard jet crashed into an apartment building here Wednesday, killing at least 2 people and injuring 20, officials said.

The plane, a leased twin-engine Lear jet, plunged onto a street near the Fresno airport, and wreckage tumbled into the two-story residential complex, igniting several parked cars and setting the structure on fire. The cause of the accident was not known.

Book Review

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Down Jones	Trib Index
Up 30.95	Up 0.75%
3749.29	111.16
The Dollar	
New York	Wed. close previous close
DM	1.569 1.5729
Pound	1.5824 1.56
Yen	100.30 100.285
FF	5.41 5.418

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Egypt.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....300 Dr.	Spain.....200 PTAS
Italy.....2.600 Lire	Tunisia.....1.000 Din
Ivory Coast.....1.120 CFA	Turkey.....T.L. 35.000
Jordan.....1 JD	U.A.E.....4.50 Dirh
Lebanon.....U.S.S 1.50	U.S. Mil. (Eur.) \$1.10

After Crash, U.S. Pledges Tighter Commuter Plane Safety

MORRISVILLE, North Carolina — Commuter planes will be required to meet the same standards as regular airlines, and inspections of all commercial aviation will be increased, Transportation Secretary Federico F. Peña announced Wednesday, a day after the crash of an American Eagle commuter flight.

The American Eagle plane, a British Aerospace Jetstream Super 31 turboprop, was on its fifth trip in a daylong flight schedule across North Carolina when it crashed in fog and drizzle while approaching Raleigh-Durham International Airport on Tuesday night, killing 15 of the 20 people on board.

It was the commuter airline's second crash within two months.

Flight 3379, on a hop of about 60 miles (100 kilometers) from Greensboro, smashed into the ground 3½ miles from Raleigh-Durham airport. The crash snapped the fuselage in half and scattered wreckage across rugged woods.

Mr. Peña, who traveled to North Carolina on

Wednesday morning, announced a three-step plan to improve safety, including raising standards for commuter planes. "Americans should expect, and the airlines and government should guarantee, a high level of safety," he said.

Mr. Peña said American Eagle had been following the safety standards of larger aircraft. But he said the Transportation Department and Federal Aviation Administration would take these steps:

- The FAA, which is in the process of hiring 300 more inspectors, will begin an immediate safety audit of every carrier, large and small, in the country.

- The Transportation Department will finish elevating commuter safety standards to the level of regular airline safety standards within 100 days. That includes pilot training, flying time and flight inspectors.

- A meeting will be held in Washington with senior flight operators and pilots of all airline carriers and government officials.

Commuter airlines are a fast-growing por-

tion of the travel business, carrying more than 50 million passengers last year. Most operate smaller planes carrying a maximum of 30 passengers, which face less stringent government rules than larger aircraft. Planes of 31 or more seats are regulated under the same rules as the largest jets.

One safety concern for commuter flights is pilot fatigue from demanding schedules. But Teresa Hanson, an American Eagle spokeswoman in Texas, said the pilots in the North Carolina crash had not been flying the entire day.

David Hinson, an FAA administrator, said there were no radio transmissions from the plane that gave any clues about the crash. "We have no idea what may have been the cause of this crash," he said.

Jetstream Super 31s had problems with tail icing early on, but that problem was corrected after a 1991 crash, Mr. Hinson said.

The plane is a twin-engine turboprop, though of a different design from the ATR-72 used by

American Eagle that crashed in northeastern Indiana on Oct. 31, killing all 68 on board. The FAA banned those planes last week and a smaller version, the ATR-42, from flying in conditions where ice can develop.

But the Jetstream Super 31 also has a history of crashes in similar weather. On Dec. 26, 1989, a United Express Jetstream Super 31 crashed on approach to Pasco, Washington, killing all six people aboard, and on Jan. 30, 1991, a USAir Express Jetstream Super 31 crashed while trying to land in Beckley, West Virginia.

Officials recovered the flight data recorder and the cockpit voice recorder from the Tuesday crash site. The plane was delivered to a airline in January 1991 and was considered "a relatively young aircraft," said Al Marucci, a spokesman for American Eagle. It had made fewer than 8,500 takeoffs and landings.

Kathleen Bergen, an FAA spokeswoman, said more than 300 of the Jetstream Super 31s were in service worldwide. American Eagle said that it had 54 of them.

Berlusconi Faces Legislative Revolt

Coalition Partner Backs Move For Broadcasting Commission

By Alan Cowell
New York Times Service

ROME — Italy's Northern League coalition partner moved into open revolt Wednesday in Parliament against the government of Prime Minister Silvio Berlusconi, feeding bitter division within the administration that was supposed to lead the land into a new era.

The development offered Mr. Berlusconi little respite only a day after he spent seven hours under interrogation by anti-graft magistrates in Milan. He said late Tuesday that the interrogation had produced no evidence to support their allegations of corruption against him.

Mr. Berlusconi has vowed to remain in office. But, to listen to the representatives of the Northern League tell it, his time is up less than nine months after he was elected.

"The Berlusconi chapter is closed," said Marco Formentini, the Milan mayor and League member, echoing hostile newspaper editorials that made the same point.

The rambunctious coalition partner has the parliamentary numbers to bring down the government, arithmetic it often uses as it takes crises to the brink only to ease back later.

In recent days, though, its officials have joined a wave of protest against Mr. Berlusconi that spilled noisily into Parliament on Wednesday when the League joined the former Communist opposition in voting in favor of a commission to review Italian broadcasting.

Any such inquiry would cut to the heart of Mr. Berlusconi's Fininvest business empire, based principally on his three commercial television networks, which are already under challenge by a court ruling that no one may own more than two networks.

Mr. Berlusconi's continued ownership of the stations, along with his holdings in publishing, advertising and real estate, have given rise to frequent charges by his foes of a severe conflict

of interest between his political duties and his business activities.

Mr. Berlusconi, though, has taken all the assaults against him as evidence of a huge plot against him.

"The conspiracy against me and my government is so vast that it can be compared to a coup d'état," Mr. Berlusconi said in an interview published Wednesday, referring to the myriad judicial, economic and political crises confronting his administration.

If the Italian leader had hoped his apparent victory over the Milan magistrates might bring relief, there was little sign Wednesday that his critics were ready to turn down the heat.

And, on the streets of Rome, Italians seem divided in a series of random conversations about whether he should remain in office or not. This was a marked change from the heady days of March, when elections propelled him and his coalition partners to office as the emblems of a new Italy after years of corruption.

"He's a businessman, an entertainer; he sells people smoke and mirrors and there's no program behind behind the smoke," said Stefano Vallini, 32, an architect. But others said that Mr. Berlusconi's departure would only enhance the country's deep sense of political drift as it strives for a new identity after shedding its corrupt old guard.

"There is a moment of great instability in Italy right now and Berlusconi's resignation would create an even more precarious situation," said Elviro Langella, 44, a painter and author.

The magistrates who questioned the prime minister on Tuesday were seeking to substantiate suspicions that he knew of money paid to the tax police by Fininvest executives to secure lenient audits. The investigators themselves have made no official comment on the interview and, according to judicial practice, have several weeks to decide whether to drop the inquiry or ask for a trial.

Politically, the prime minister's assertion that he had been exonerated should have removed one source of pressure on him. But his adversaries appear to have merely refocused their sights on Mr. Berlusconi's television holdings and his relationship with the judiciary.

In Parliament on Wednesday, loud arguments broke out after Northern League deputies voted with the former Communist Democratic Party of the Left to institute a special commission on broadcasting, inspiring Mr. Berlusconi's supporters to shout "resign, resign" at the lower house speaker, Irene Fivetti, herself from the Northern League.

Additionally, the League's leader, Umberto Bossi, is trying to win approval for a parliamentary statement accusing Mr. Berlusconi's Justice Minister, Alfredo Biondi, of trying to block corruption inquiries.

WORLD BRIEFS

Khamenei Turns Down Shiite Post

TEHRAN (NYT) — Ayatollah Sayed Ali Khamenei, the supreme religious leader of Iran, turned down on Wednesday his preme religious leader of Iran, turned down on Wednesday his appointment to the position of Marja Taqleed, or spiritual leader for Shiite Muslims in Iran, but said he would accept spiritual leadership of the estimated 30 million Shiites outside Iran.

Mr. Khamenei, 55, cited political responsibilities in his decision to decline the post, which was vacated by the death of Grand Ayatollah Mohammed Ali Araki in November. He said he did not need to claim the revolutionary mantle of Ayatollah Ruhollah Khomeini, who died in 1989.

Lang Hedges on Candidacy in France

PARIS (AFP) — Former Culture Minister Jack Lang, expected to be the French left's front-runner for presidential elections next spring after Jacques Delors pulled out, said Wednesday he "probably" would not run as a candidate.

Mr. Lang, who has emerged as the most popular leftist figure after the withdrawal of the European Commission president from the race, said the left should take its time in deciding its next step.

U.S. to Honor New Zealand Ship Ban

WELLINGTON (AP) — The United States promised Wednesday not to send nuclear-armed warships to New Zealand, reversing years of defiance of New Zealand's policy of barring port visits by such vessels.

The ANZUS defense alliance of America, Australia and New Zealand had been strained since the mid-1980s, when New Zealand announced that no nuclear-armed or nuclear-powered ship could dock. The United States and Britain adopted a policy of refusing to disclose whether ships carried nuclear weapons, and no vessels made New Zealand port visits.

But the U.S. ambassador, Josiah Boeman, said in a speech Wednesday that while the U.S. would continue its "no declaration" policy, it also would not send nuclear-armed ships to New Zealand. Mr. Boeman said that after the 1991 decision to remove tactical nuclear weapons from all ships and aircraft outside Europe, the "simple and obvious fact" was that U.S. troops, aircraft, surface vessels and attack submarines deployed in the Pacific are not nuclear-armed.

Pakistan Parties Unite Over Violence

ISLAMABAD, Pakistan (Reuters) — Pakistan's ruling and opposition parties temporarily put aside their bitter squabbling Wednesday to agree on a concerted effort to end the violence in Karachi that has killed at least 99 people in two weeks.

The National Assembly unanimously decided to form a committee to investigate the causes and to propose remedies to solve the ethnic, sectarian and political violence in the commercial capital.

South African Police Official Killed

EAST LONDON, South Africa (Reuters) — Gunmen killed a South African police general and wounded his wife in the capital of the former black homeland of Transkei, the police said Wednesday.

A police spokesman said the motive for the drive-by shooting of General Mbuli Wheadon Mbulawa and his wife, Hilda, in Umtata on Tuesday night was unclear.

Beijing Seeks Technology for Dam

BEIJING (Reuters) — Prime Minister Li Peng broke ground Wednesday for the Three Gorges dam and appealed to foreigners to transfer technology for China's largest and most ambitious engineering project since the Great Wall.

The official start of the \$12 billion project followed a 40-year feasibility study and two years of preparatory work. The dam on the Yangtze River is intended to generate 18.2 million kilowatts of electricity on completion in 2009. More than a million people are to be relocated as part of the project.

Greek Workers Strike Over Budget

ATHENS (AP) — Public services, utility companies and state-run banks were shut down Wednesday as employees held nationwide strikes to protest the austerity budget proposed by the Socialist government for 1995.

State railroad workers and the confederation of private and public sector employees staged a 24-hour strike starting at midnight. Civil servants went on strike after 11 A.M.

TRAVEL UPDATE

Amtrak to Cut Routes and 5,500 Jobs

WASHINGTON (AP) — The U.S. passenger railroad Amtrak, tackling a \$200 million budget deficit, announced Wednesday that it would eliminate about 5,500 jobs and shut down 21 percent of its passenger train service.

The frequency of several Amtrak routes will be reduced starting Feb. 1, with some routes being eliminated beginning April 1, railroad officials announced. Amtrak's president, Thomas M. Downs, said the system could no longer afford to maintain its service to 540 cities across the United States.

Amtrak officials said they were eliminating the service between Chicago and Milwaukee and between Chicago and Grand Rapids, Michigan, and a California route between San Jose and Roseville. Segments of several other routes will be closed. Most of the savings will come from reducing the frequency of trains.

Hostesses and stewards of Air France will strike on Friday to protest changes in pay structure and chronic understaffing, the CFDT union said in Paris. The airline said that the one-day strike would cause "no disruption" of service. (AFP)

The revamped Queen Elizabeth 2 left Hamburg for Southampton, England on Wednesday after a 22-day, \$45 million refurbishment. The 984-foot (299-meter) luxury ocean liner was to undergo sea tests on the way to England. (Reuters)

Passengers transferring at Schiphol Airport in Amsterdam can now fill their layover time with any of three two-hour guided tours of Amsterdam and surroundings offered by a Holland Tours Schiphol, a Dutch tour operator. (NYT)

Austrian meteorologists say snow is on the way, raising the hopes of thousands of hoteliers and seasonal workers in Alpine resorts after the warmest December in 76 years. (Reuters)

A diphtheria epidemic in Soviet Georgia has killed 15 people in two months and is spreading amid Georgia's worsening economic crisis and the virtual collapse of the state-run health care system, according to an infectious disease expert in Tbilisi. (AP)

Jordan has agreed to let Israel run daily bus services to link Haifa and Tel Aviv with Amman and Eilat with Aqaba, an Israeli Transport Ministry spokesman said Wednesday. (AFP)

A new Barbados-based regional carrier will get off the ground in February, airline directors said, after signing a \$4.8 million loan agreement with the European Investment Bank in Kingston, St. Vincent. The loan was the last step needed to launch the new carrier, Carib Express, which will compete with the struggling Antigua-based airline LIAT. (AP)



Dylan Martinez/Reuters

POLITICAL TOUCH — Prime Minister John Major of Britain giving Santa a pat Wednesday in Portadown, Northern Ireland, as his wife, Norma, center, looked on. On the right is an Ulster Unionist lawmaker, David Trimble.

\$94 Million in Investments for Northern Ireland

Reuters

BELFAST — Prime Minister John Major announced a \$94 million (\$94 million) investment boost for Northern Ireland on Wednesday and said an air of economic optimism was sweeping the province as peace took hold.

But the British leader told an international investment forum called to capitalize on the declaration of cease-fires by rival Protestant and Roman Catholic guerrillas that an economy battered by 25 years of violence needed overseas help to reach its potential.

Mr. Major won the crucial backing of

the United States for Britain's efforts to attract new investment to the province, where unemployment stands at 12.7 percent. Commerce Secretary Ronald H. Brown told reporters after the meeting: "People expect their lives to change when peace comes and you have to be prepared to meet those expectations."

2 Rare Quakes Panic French Ski Resorts

Reuters

GRENOBLE, France — Two earthquakes in an hour set off panic in parts of the French Alps on Wednesday as buildings cracked and furniture was shifted by tremors.

People ran into the streets in towns and ski resorts as the first quake shook apartments and office buildings. The Swiss Seismological Service in Zurich registered the quake at 4.8 on the Richter scale.

The government prefect's office in the French Savoie town of Annecy said the tremor's epicenter was in La Roche-sur-Foron, halfway between Annecy and Geneva.

It was felt as far away as Geneva, in upper floors of the United Nations European headquarters at the Palais des Nations and in tall buildings in the city's business district.

The Swiss service recorded

the quake at 9:56 A.M. Less than an hour later, at 10:43 A.M., another tremor shook the area. A Savoie monitoring service registered the second quake at 4 on the Richter scale.

Earthquakes between 4 and 5 on the open-ended scale are usually powerful enough to cause heavy damage in populated areas.

"The quake's scale is pretty exceptional for France," Pierre-Yves Bard, a Savoie monitoring center scientist, said after the first quake. "We register similar tremors once every five years in France, and they are even rarer in the Alps."

He said the last tremor of a similar scale to hit the area was in December 1980.

A spokesman at the town hall in La Clusaz ski resort said that several public buildings and blocks of apartments were cracked by the first tremor.

"Everybody got out into the street, said a local official, Philippe Codron. "We thought it was a gas explosion. It was as if a huge pneumatic drill had been

turned on. Everything trembled for several seconds."

Residents said the first quake was short but strong.

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THE AMERICAS /

Tax Reductions for the Middle Class? It's About Politics, Not Economics

By David E. Rosenbaum

New York Times Service

WASHINGTON — The Republicans have their proposal for a middle-class tax cut. Not to be outdone, Representative Richard A. Gephardt of Missouri, the House Democratic leader, has offered his own plan. President Bill Clinton will probably put forward his in a speech Thursday night.

The proposals have in common that they are frightfully expensive in terms of lost revenue and that they would spread the money so thin that they offer middle-income families less than the cost of a pizza a week.

Most economists, regardless of their politics or ideology, view such tax cuts as a lousy idea. This is not surprising. Proposals for a middle-class tax cut are not about the economy. They are all about political positioning.

Mr. Gephardt's plan would reduce the taxes of households with annual incomes below \$75,000. In a

speech Tuesday, he said, "We ought to be focusing help to the hard-pressed, squeezed, middle-income families that are either standing still or have been moving behind for the last 15 years."

In other words, the swing voters who determine election results.

Neither Mr. Gephardt nor his staff would say

NEWS ANALYSIS

exactly how much his plan would cost or how large a tax break he was contemplating for each family.

But say he decided to offer each family \$300 a year, or about 82 cents a day. In 1991, the last year for which statistics are available, there were 107 million taxpayers, about 94 percent of the total, with pretax income below \$75,000.

If each one got a tax cut of \$300, it would cost the government \$32.1 billion, half again as much as the government spends each year on Aid to Families

With Dependent Children, the main federal welfare program.

Mr. Gephardt said he would find spending reductions to offset the tax breaks, but he declined to be specific.

The plan being pushed by House Republicans would offer each family with income below \$300,000 (99 percent of all taxpayers) and children in the household a \$300 tax credit for each child. That means that a family with two children would have its taxes reduced by \$1,000. The 64 percent of taxpayers who have no dependent children would get nothing.

The Republican staff of the House Budget Committee has estimated that the plan would cost the Treasury about \$20 billion a year. IRS figures show that about 40 million taxpayers have children and an income less than \$200,000.

Politicians of both parties obviously believe such proposals to be good politics, but if opinion polls are to be believed, the public is not particularly concerned about taxes nowadays.

Robert J. Shapiro, a campaign adviser to Mr. Clinton in 1992 and now director of economic studies for the Progressive Policy Institute, is one of the few economists to advocate small tax reductions for middle-income families, and he does not do so on economic grounds. The institute is the research arm of the Democratic Leadership Council, moderate and conservative Democrats formed to push the party to the center.

"The argument is a social policy argument, not an economic argument," Mr. Shapiro said. After years in which tax breaks were given to the wealthy (the Reagan years) and the poor (the earned-income tax credit), the middle class should have its due, he maintained.

"People in the political class think \$300 or \$400 a year isn't meaningful, and if you make \$100,000 a year, it isn't," he said. "But if you make \$25,000 or \$30,000 a year, it can be rent for a month or two." Economists and tax policy analysts say this is

precisely the wrong time for such political positioning.

"We can't afford it," said Robert S. McIntyre, "If they have extra money, why don't they cut the deficit or build a bridge or something?" Mr. McIntyre is president of Citizens for Tax Justice, a liberal group sponsored mainly by labor unions that does research and lobbying on tax issues.

Norman B. Ture, president of the Institute for Research on the Economics of Taxation, looked from the other end of the ideological stage and came to a similar conclusion.

"The question," he said, "is what should we do to generate growth and savings and investment and technological innovation, and for those purposes a middle-class tax cut is irrelevant."

What really irritates the economists is that they believe a strong economy, like the one now, should be the setting for strong medicine, not sugar doughnuts.

Camp Crisis Worsens in Cuba and Panama

By Daniel Williams

Washington Post Service

WASHINGTON — U.S. officials are groping for ways to empty the refugee camps at U.S. military bases at Guantánamo Bay, Cuba, and in Panama — quickly enough to avoid more riots by impatient detainees but slow enough not to attract a new wave of "boat people" from Cuba.

The riot last week of Cubans in Panama, during which more than 200 U.S. soldiers were injured, added a sense of urgency to the effort to find the refugees a home.

On Tuesday, 500 U.S. soldiers from Fort Bragg, North Carolina, and Fort Hood, Texas, arrived at Howard Air Force Base near the Panama Canal for guard duty, joining 2,000 troops already on duty at the refugee camp. In a show of force, the soldiers disembarked carrying rocket-propelled grenades as well as M-16 rifles and shotguns.

U.S. military officials in Panama said that American troops would protect themselves by "any means necessary."

Also underlining the importance of finding new havens for the Cubans, the government of Panama has announced that the 8,500 Cubans there must all be evacuated to some other country by March 6.

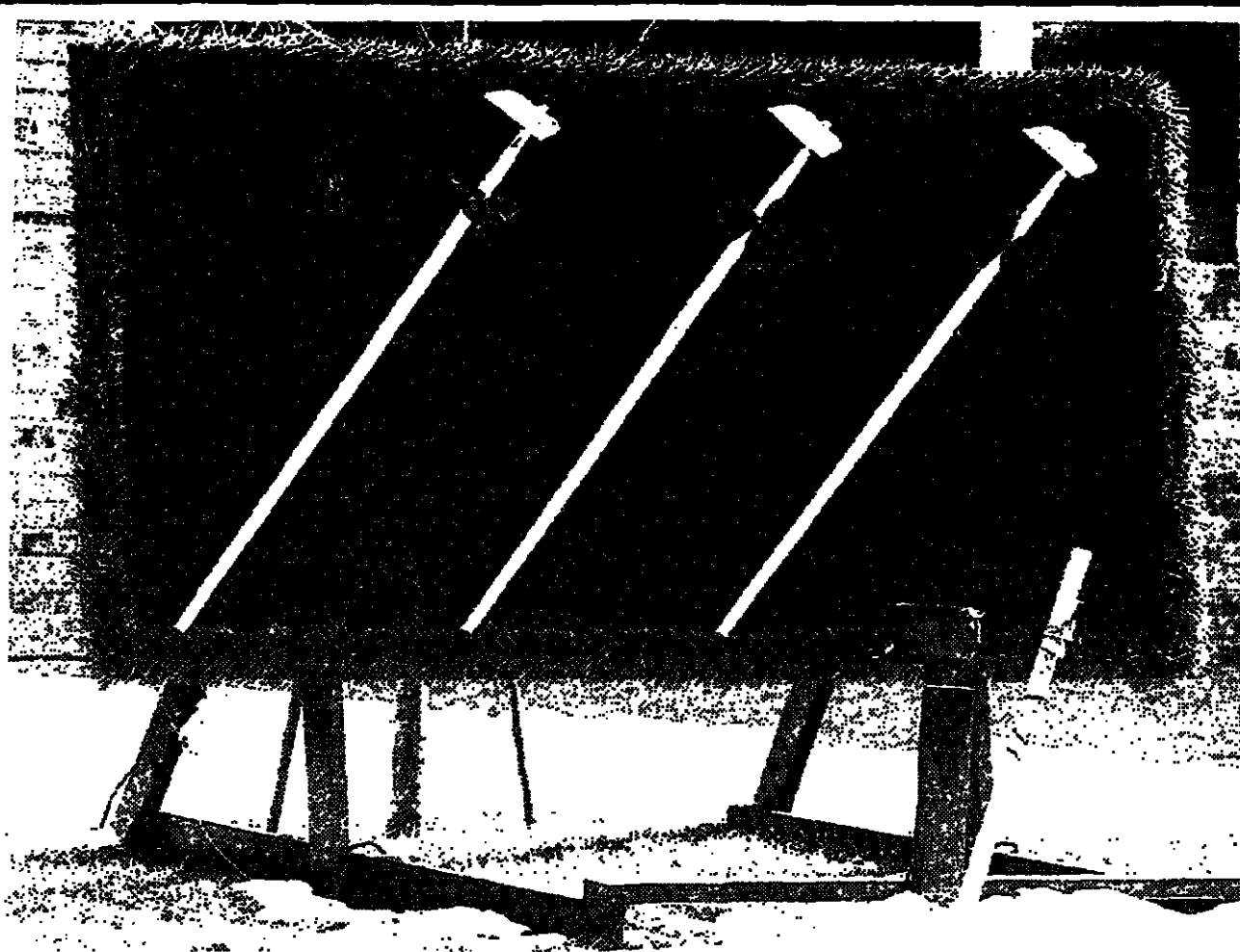
That would comply with an agreement signed with the administration in September to let them stay on Panamanian soil for six months. U.S. officials had hoped the deadline would be extendable.

"All this is increasing the pressure to find a permanent place for the Cubans," a U.S. official said. "Say, March comes and we have to send them back to Guantánamo. Are they really going to want to go?"

The riots and official response are the latest episodes in the saga of Cuban refugees, which began last summer with the exodus of about 30,000 Cubans trying to escape the Communist-ruled island.

President Bill Clinton, who feared public criticism if the wave of migrants reached Florida shores, dispatched the Coast Guard and navy to intercept them and take them to the U.S. naval base at Guantánamo Bay on Cuba's southeastern tip. About 8,500 refugees later voluntarily transferred to Panama.

Also at Guantánamo are about 4,500 Haitians, who fled Haiti when the country was still under military rule but who have refused to go back despite the return to power of Jean-Bertrand Aristide, the exiled, democratically elected president.



SANTA CLAWS — "Hoe, hoe, hoe," here comes the Christmas punster in a Fargo, North Dakota, front yard.

Away From Politics

Power was knocked out to parts of eight Western states and the Canadian province of British Columbia when a major power distribution system failed, officials said. Among the cities most affected was Seattle, where more than 90,000 people were left without power. (Reuters)

Alarmed by the growing presence of hate groups in cyberspace, the Simon Wiesenthal Center has sent a letter of

protest to the Prodigy on-line computer service. The Los Angeles-based center said it had tracked increasing activity over the last few months by 50 hate groups using Prodigy and the Internet global computer network. (LAT)

A federal judge has cleared the way for Claude Daniel Marks, 45, and Donna Jean Willmott, 44, to go free on bond.

The pair, who spent nine years on the FBI's most wanted list, surrendered to authorities in Chicago to face charges of plotting to blow up part of Leavenworth

Penitentiary. They were ordered freed despite prosecutors' objections. (AP)

In a surprise decision, the Michigan Supreme Court has upheld the state's controversial law banning assisted suicide, enacted to stop Dr. Jack Kevorkian from helping people kill themselves. On the same day, the state House of Representatives passed a law banning assisted suicide for at least two years. (Reuters)

Police seized a gunman who had taken about 40 students hostage in a basement lecture hall at the State University of New York campus in Albany. (AFP)

New Rules Drafted on Au Pairs

The Associated Press

WASHINGTON — Au pairs, young people from abroad who help out in American families, would have to be paid at least the minimum wage and work no more than 45 hours a week under regulations proposed Wednesday by the U.S. Information Agency.

Moreover, no au pair would be allowed to care alone for infants or be placed in a family with children under age 2 unless she was at least 21 and had documented child-care experience, conditions that the head of one au pair agency said would probably force him out of business.

"Even though it's well-meaning, it's trying to make a professional child care program out of something that was essentially an exchange program," said Bill Gustafson, who runs EuroAuPair for the nonprofit American Scandinavian Student Exchange in Laguna Beach, California.

Under the proposed regula-

tions, families also would have to contribute up to \$500 to be used by the au pair for college or other post-high school study, said Joseph Duffey, the director of the U.S. Information Agency, which issues au pair visas.

In 1990, the General Accounting Office determined that au pair programs were not consistent with the agency's mandate to foster educational and cultural exchanges. It notified sponsoring organizations and also asked Congress to transfer responsibility for the program to another government entity. Congress declined but gave the agency authority to adopt regulations.

Under the proposed regulations, au pairs:

- Must be paid at least \$155 per week.
- Will be cleared through background review, including thorough checks of references and any criminal record.
- May not work more than

45 hours per week, or more than 9 hours on any day. They must receive a minimum of 1½ days off per week, plus one weekend per month.

• Must receive two weeks of paid vacation.

• Will take part with host families in quarterly training sessions, arranged by the au pair organizations, to enhance their understanding of cross-cultural issues.

Any sponsoring agency that fails to comply with the requirements may be removed from the program, but Mr. Duffey conceded it would be difficult to monitor working conditions.

The proposed standards are open for 30 days of public comment. Eight au pair organizations are designated by the agency to place such workers in American households under educational and cultural exchange visas. About 10,000 au pairs under this program are in American homes.

'Gulf War' Illness Vexes Doctors

Tests of 1,000 Soldiers Turn Up No One Cause

By David Brown

Washington Post Service

WASHINGTON — Military physicians who have examined about 1,000 soldiers complaining of symptoms known popularly as "Gulf War syndrome" can find no chemical exposure, infectious organism or disease process that explains the complaints.

Nevertheless, in 86 percent of cases the physicians can diagnose a known medical illness. The root problem in the remaining 14 percent is still elusive, and those soldiers are being tested further, according to a Defense Department report.

About one-quarter of the people examined have psychiatric conditions — such as depression, tension headache and anxiety — as their primary diagnoses. Musculoskeletal diseases account for 16 percent of the cases; digestive diseases 7 percent, and respiratory diseases 6 percent.

The diagnoses range across all the body's organ systems and represent the sorts of illnesses seen among young adults in civilian life. The findings generally recapitulate those of the Department of Veterans Affairs, whose physicians have examined more than 17,000 Gulf War veterans no longer in the military.

"There is not a single agent here," causing illness, Stephen Joseph, assistant secretary of defense for health affairs, said at a briefing Tuesday on the military's Comprehensive Clinical Evaluation Program for Gulf War veterans. He added that while it was "theoretically possible" that a single diagnosis would be made in the recalc-

trant cases, he believed that those cases also would ultimately prove to have many causes.

About 11,000 active-duty Reserve or National Guard soldiers have registered in the program since it was established in June, most by calling a hot line

About 60 percent of the people complained of fatigue, 55 percent of joint pains, 50 percent of headache and about 45 percent of memory loss or sleep disturbances.

set up by the Pentagon. By the end of November, 1,019 had been fully evaluated and about 8,700 were undergoing medical interviews and testing. The rest have declined evaluation or have not yet been contacted.

The spectrum of complaints is similar to that seen by Veterans Affairs doctors. About 60 percent of the people complained of fatigue, 55 percent of joint pains, 50 percent of headache and about 45 percent of memory loss or sleep disturbances.

A smaller fraction reported other problems, such as rashes and depression. Some of the registrants had been previously examined by military physi-

cians, but many were mentioning their illnesses for the first time.

The evaluation program is two-tiered. Patients first give a detailed medical history, including reports of chemical, physical, infectious or emotional "exposures" during Gulf service, and undergo a physical examination and routine laboratory testing. If no diagnosis is made, they are sent to one of the military's regional medical centers for in-hospital evaluation by subspecialists, more laboratory testing and diagnostic procedures.

The 14 percent of undiagnosed cases have all completed the second tier, Mr. Joseph said. They will now be referred to one of four "specialized care centers" — Walter Reed Army Medical Center and Bethesda Naval Medical Center in the Washington area, and two hospitals in Texas — where they will be evaluated anew.

Ultimately, military physicians may review the mysterious cases with consultants at the National Academy of Sciences' Institute of Medicine.

Mr. Joseph said the percentage of registrants given psychiatric diagnoses was "expected," and was similar to that seen among civilians going to adult general medical clinics.

In response to a question, the assistant secretary said there was no evidence that a drug called pyridostigmine, which was given to many soldiers for short periods as a partial protection against gas attack, or pesticides, or a combination of the two, accounted for the illnesses seen in Gulf War veterans.

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NO TO FOIE GRAS

Some animals are put through the "funnel torture" while everywhere in the world some human beings are starving.

Foie gras is a sick hypertrophied organ (hepatic steatosis).

It is scandalous... To obtain foie gras, the force-feeding of geese and ducks consists in thrusting an 8 to 16 inch-long (20 to 40 centimeters) pipe down their throat and forcing them to swallow a large quantity of cereals: this is the "funnel torture" repeated 2 or 3 times a day for 2 to 4 weeks. During this appalling torture, birds cannot get loose and they are held by hand or with a spring keeping their head still.

After cramming, the animals are shaking. Geese and ducks are terrified at the sight of the force-feeder and are shut in tiny hovels or individual cages, preventing the birds from moving.

Following these cruelties, the crop of some geese and ducks burst, other poultry die of infection, injuries, suffocation, congestion, heart disease or cirrhosis. After long days of suffering, the size of their liver having become 5 to 10 times larger than normal, geese and ducks still alive, crippled, sweating abundantly, their beak letting out a sort of death rattle, are slaughtered.

The tortures inflicted on animals and the increase of hunger in the world are major reasons for which the Société Nationale pour la Défense des Animaux (French national society for the defence of animals) demands the ban of poultry cramming.

The reconversion of people involved in cramming would be unavoidable in case of a great economic recession, it can therefore be envisaged by human dignity.

Don't eat foie gras, it is a shameful and superfluous dish
AN ANIMAL IS A BEING WHO LIVES, WHO THINKS, WHO SUFFERS



Non profit-making organization - Founded in 1972 - State-approved Independent Non-political Fight against sufferings inflicted on animals

HELP US pursue our campaigns against suffering

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C.C.P. La Source 33.536.26 L

POLITICAL NOTES

Clinton Works on Tax Cuts

WASHINGTON — President Bill Clinton discussed possible tax and budget cuts with advisers as he readied an address to the nation outlining his vision for the future in light of new political realities.

The White House press secretary, Dee Dee Myers, said the speech on Thursday night would provide an overview of Mr. Clinton's plans for the last two years of his term, cast against the prospect of rival Republicans controlling the U.S. Congress starting in January.

The speech is viewed as a pivotal part of Mr. Clinton's effort to recover from the drubbing handed his Democrats in last month's elections.

"Now is a time to move beyond the election and talk about the future," said Ms. Myers, who added: "We're operating in a different world now."

Mr. Clinton hopes the speech will re-establish him as a dominant political player in Washington — a role that has been usurped by gleeful Republicans who are about to take over both houses of Congress for the first time in 40 years, and even poached upon by fellow Democrats eager to show independence.

D'Amato to Defer Hearings

WASHINGTON — The incoming Senate banking chairman, Alfonse M. D'Amato, Republican of New York, says he will defer Whitewater hearings indefinitely to stay out of the way of the independent counsel, Kenneth W. Starr.

After meeting with Mr. Starr and the outgoing Banking, Housing and Urban Affairs chairman, Donald W. Riegle Jr., Democrat of Michigan, Mr. D'Amato said that he could not predict when Senate hearings might begin, but that they would not start in late January or early February, as he had suggested recently. He predicted that when they did resume, they probably would stretch into the 1996 election year. (WFP)

Republicans Pick San Diego

SAN DIEGO — Republicans have selected San Diego as the site of their

national presidential nominating convention in 1996.

The choice of San Diego for the 1996 Republican National Convention is contingent on the negotiation of a satisfactory financial package with the city. But state and national party leaders said they were confident that there would be no hitches and that the decision essentially had been made.

The proposed dates in the bayside San Diego Convention Center are Aug. 12-15, 1996. Democrats will convene in Chicago later in August. (LAT)

Quote / Unquote

Paul Tsongas, former Massachusetts senator and once a candidate for the Democratic presidential nomination, who is circulating a memorandum proposing a third party in 1996 to be led by a presidential candidate such as Colin L. Powell, the former chairman of the Joint Chiefs of Staff: "The currency here would be the moral authority, the kind of moral authority the administration clearly does not have and that the 'Contract with America' cannot provide, since it is poll-driven." (AP)

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Chechnya Test for Russia

So brittle is the political scene in Moscow now that what could have been a pesky but manageable policing operation in the northern Caucasus enclave of Chechnya has become a crisis of confidence for President Boris Yeltsin and a test for democracy in Russia.

For three years Mr. Yeltsin endured Muslim non-Slavic Chechnya's cheeky declaration of independence, which no other state recognized. Suddenly he pronounced it unendurable and launched a covert operation to support Kremlin loyalists — it failed embarrassingly — and then the current heavy invasion. No one has much sympathy for the gangster-ridden Chechen regime or doubts Russia's right to tame it. But even the Russian army seems embarrassed at the spectacle of its own awkward overkill. Win or lose, Russia will look the bully. In Moscow, democrats and liberals see the invasion as being planned, or at least used, to shrink their political space and to discredit not just Mr. Yeltsin, who has been running this operation from a hospital bed, but also the whole movement of democratic reform. Among major factions, only the ultranationalist Zhirinovskiy party supported him in a Duma vote

on Tuesday. People of all stripes, including the military, appear leery of getting bogged down in "another Afghanistan."

Abroad, the episode is likely to be taken as one more lurch by Boris Yeltsin and as an operation that, although justified as an act of a sovereign state within its own borders, raises the always upsetting specter of Russian troops on the move — something to which close attention is paid throughout the former Soviet Union. A state like Russia with 100 nationalities cannot ignore an outright secession, but a state like Russia with 100 nationalities must also attend to the example it sets in treating a difficult case.

Mr. Yeltsin is being urged to reach a political settlement of the Chechnya matter quickly and without unnecessary further bloodshed. The enclave's president, by all accounts a hustler given to taunting the Russian bear, does not make this easy. An expeditious and somewhat dignified resolution, however, would add measurably and usefully to the stock of political capital that Mr. Yeltsin definitely needs to conduct other business, including his business with the United States.

— THE WASHINGTON POST.

Caribbean Fantasies

Fidel Castro, conspicuously excluded from last week's Miami meeting of Western Hemisphere leaders, sat down afterward with New York Times reporters. His mood was expansive, and while he acknowledged that he had no wish to import Western-style democracy, he recognized that the world had changed.

Mr. Castro nevertheless seemed as suspicious as ever about the rewards of capitalism for his own country, making no exception for his own tentative experiment with free markets. He seemed to hope that the small farmers' markets he is now allowing would give Cubans a new appreciation of the socialist state that subsidizes most of their food.

That shows poignantly how out of touch the Comandante remains with the changed world around him. Wherever such markets have been introduced, from Eastern Europe to China, they have taken off. Individual enterprise has flourished wherever it gets a toehold. Mr. Castro deludes himself if he feels his halfhearted concessions to capitalism will teach his people lessons that the rest of the Communist world has rejected.

When it comes to the U.S. relationship with Cuba, a strange sense of unreality pervades on both sides. Mr. Castro, ever the revolutionary romantic, believes that his tiny country, the one member of the hemisphere family to be denied a seat at the Miami conference, can remain a virtuous holdout against the capitalist tide.

After successful negotiations with U.S. officials earlier this year that resulted in a new agreement on immigration, Mr. Castro could have pushed the door open further by making some of the conces-

sions demanded by the Cuban Democracy Act — releasing political prisoners, moving more decisively toward free markets and democracy. He chose instead the small experiment in farmers' markets.

On the U.S. side, legislators and policymakers seem to believe that the strategy that has worked for the rest of the Communist world — the opening of markets and the free exchange of goods, people and ideas — is somehow inappropriate for this one small island. Cuba is denied access to America's investment, its markets, its tourist dollars. This is hard to understand, since the policy of isolating Havana, which has prevailed in one form or another for three decades, has not succeeded.

One explanation, of course, lies in Cuba's exile community, which has exhibited a canny understanding of how to play the American political game. The Cuban American National Foundation, backed by wealthy Cuban-born businessmen who contribute heavily to the coffers of friendly politicians, will settle for nothing less than a complete humiliation of Fidel Castro and a triumphal return to the land of their birth. Too many U.S. politicians, particularly President Bill Clinton, have encouraged their fantasies and avoided antagonizing them.

So on both sides the fantasies persist. Exiles in Miami plot their revenge. Mr. Castro entertains his guests in the splendor of the Palace of the Revolution, holding to the faith that he alone, through the force of sheer Leninist virtue, can withstand what felled his former benefactors. And U.S. policy, by persisting in isolating Cuba, encourages the fantasies of both.

— THE NEW YORK TIMES.

How Clean Should Air Be?

Just how clean do Americans want the air to be in their cities — and at what cost in money and personal inconvenience? With Americans driving more every year, it is going to be extremely difficult to get air quality up to the standards that Congress decreed four years ago in its last revision of the Clean Air Act. Until recently most of the burdens of bringing automobile emissions into compliance have fallen on the manufacturers and the oil refiners. But that is beginning to change.

Most of the air pollution from automobiles is generated by a small proportion of the cars on the road, generally those that have been badly maintained or have been tampered with. Any major reduction in future emissions is going to require enforcement that goes after those cars and the people who use or misuse them. That is why the federal Environmental Protection Agency began telling the states that they would have to require owners to bring their cars to central facilities for much more elaborate testing than the familiar tailpipe check of an idling engine carried out by local service stations.

In a number of states the testing procedure has proved deeply unpopular, not least among service station owners losing business but also among drivers confronted with much more demanding rules and a much more time-consuming procedure. A couple of states have suspended or canceled the new tests, and a substantial political opposition to them has formed.

When Carol M. Browner, head of the EPA, met last week with five governors who have been leading the rebellion, she wisely agreed to drop the new inspection requirement. The EPA will accept alternative plans to reduce highway emissions,

she said, as long as they promise to produce similar results. But it is difficult to think of any alternative that would be equally effective without imposing similar irritations and costs on individual owners.

The EPA retreated on these tests because it fears that otherwise the next Congress will return to the Clean Air Act — as some of its members have already threatened — and reduce its air quality standards. These emissions represent a genuine threat to the health of some people. But setting smog rules is like setting speed limits. It's a matter of balancing health and safety against inconvenience for a population that does not have a high tolerance for inconvenience. There is no obvious right level for automobile emissions. The states are now in the process of finding out what level their drivers — that is, their voters — will support.

— THE WASHINGTON POST.

Other Comment

Time to Press Ankara

In sentencing eight Kurdish members of Parliament to stiff prison terms, the Turkish government evidently has decided to abandon all pretense of democratic standards in settling the Kurdish question. Those parliamentarians embodied the last hope for a peaceful solution. The time has come for Western diplomacy to put concerted pressure on Ankara to reach a political settlement with the PKK, for better or worse the Kurds' only credible representative. If Turkey wants to be part of Europe, it must observe European standards.

— Neue Zürcher Zeitung (Zurich).

Russia Gains, Germany Loses, America Should Stay

By Brian Beedham

LONDON — Let us try a bit of neo-L-realpolitik. It is time to ask some hard-nosed questions about the past month's balance-of-power maneuverings in and around Europe.

This will distress those who thought that after the Cold War, powers no longer maneuvered and realpolitik could be lowered into the grave. Alas, events have shown otherwise. The world stays harshly real; the calculations of international power are as convoluted as ever; hard-nosed questions are still needed.

The chief contenders in today's realpolitik are Russia, once again in vigorous pursuit of familiar Russian interests despite its economic and social fragility; Germany, back in its old pre-Cold War position as the power in the middle of Europe; the non-German Europeans, chiefly France and Britain; and the United States. China sits brooding on one side of the competition and Islam on another, but neither is yet seriously involved.

Who has gained most from the past month's moves? Undoubtedly, against all the apparent odds, Russia.

The coming victory of a Greater Serbia in the wars of ex-Yugoslavia is a victory for Russia, too. By putting a cousinly arm around the Serbs, Russia has helped to deter the West from doing enough to save the non-Serbs.

North of the Balkans, this month's attack by Boris Yeltsin on the expansion of NATO prolongs the frustration of Central Europeans who want NATO's protection and strengthens the do-nothing tendency within NATO itself. Russia's desire to keep Central Europe as a no-man's-land between itself and the West has also contributed to the European Union's slowness to open its eastern doors, revealed again in Essen this month.

For a country supposedly flat on its back, that is not bad. Now add the geo-

political implications of the Russian army's march into Chechnya. If this succeeds in its presumed purpose — to deny the Chechens the right of self-determination — the Russians will have shown that they can subdue a small guerrilla army in one rugged patch of the world just when, in another rugged patch, we of the West have in effect flinched away from a small guerrilla army of Bosnian Serbs. The fact that in both places the outcome would be a victory for the imperial instinct makes the contrast even more dismaying.

How does this affect the other contenders? The chief loser, plainly, is Ger-

The Clinton people seem to have changed their minds. They have become much more rigorous toward Russia.

many. Of all West Europeans, it was the Germans who were first and keenest in opposition to a Greater Serbia. The Germans have also been warm supporters of the eastward expansion of the European Union and NATO. In all these matters, what is good for Russia is a setback for Germany.

If on top of this Russia's army now imposes Russia's will in Chechnya, the Germans will know that the resurgence power on the other side of that no-man's-land to the east possesses a lot more military determination than NATO does. If you are German, a newly tough-jawed Russia makes a worrying neighbor.

And the non-German West Europeans? This is where things get interesting.

It may be no accident that this late-1994 period of Russian ebullience and German discomfiture coincides with an apparent change in Germany's relations with some of its partners in the European Union, especially with France.

Both France and Britain now seem more hesitant about the expansion of NATO than they used to be, and than Germany would like. France is raising various difficulties about opening the European Union to new members from the east. And all the leading candidates in France's coming presidential election, now that Jacques Delors has pulled out of the race, are more openly skeptical about a federal future for Europe than Frenchmen used to be, and than almost all Germans still are. These things are not unconnected.

Ever since the two parts of Germany were reunited, the expanded power of a single Germany has been changing calculations throughout Europe. One part of this recalculation is a growing reluctance in other countries to commit themselves to a European federation in which Germany might be able to collect enough supporting votes to overrule them. Hence the emerging possibility of an alliance between France and Britain to insist on a looser, confederal Europe in which that could not happen.

The other possible part of the non-German Europeans' recalculation is even more thought-provoking. In certain circumstances (see the next paragraph), a stronger Russia could be a useful counterbalance to the strength of this new Germany. So take care, it could be argued, not to push Russia into hostility toward the whole of Western Europe — for instance, by expanding NATO and the European Union eastward sooner and farther than Russia would like. Better a muscular but appeased Russia than

a Europe in which Germany had more muscle than anybody else.

And the United States? If the Americans thought they would eventually have to pull out of Europe — as Bill Clinton may have thought a year ago — they, too, might see Russia as a useful counterbalance to an otherwise Europe-dominated Germany. Indeed, a year ago the Clinton administration was following a "Russia first" policy, which may have been based on just such a calculation.

Now, however, the Clinton people seem to have changed their minds. They have become much more rigorous toward Russia. It shows in their new zeal to expand NATO, in their recent decision to build up a potentially Russia-containing Ukraine, in their reluctance to go along with Britain and France in letting the Serbs win a Greater Serbia.

Mr. Clinton may have become more rigorous toward Russia because he now thinks that the United States can and should stay in Europe; that, if it does, it can provide the necessary counterweight to Germany; and that Russia is therefore no longer needed for that purpose. If the newly powerful Republicans take the same line, this amounts to a radical change in the prospects for the 21st century.

Some of this is speculation, but most of it is not. If you peer through the mists, you begin to discern the looming shapes of tomorrow's world.

Note, in particular, one looming fact. It is not necessary to choose between a Europe presided over by Germany and a Europe in which a clumsy new Russia is the only available counterweight to Germany. If America stays in Europe, it can do a much better and wider balancing job. To most people between Vancouver and Vladivostok, that will seem the sensible way to venture into the new century.

International Herald Tribune.

Threats to Human Rights in Europe Are Threats to Security as Well

By Aaron Rhodes

VIENNA — It has been 46 years since the United Nations General Assembly adopted the Universal Declaration of Human Rights. The declaration provided impetus for the ratification by European nations of the major legally binding human rights covenants that exist today.

But in several member countries of the Conference on Security and Cooperation in Europe, violations of the rights set forth in the Universal Declaration are increasing, driven mainly by ethnic nationalism. Some examples:

In Croatia, the government of Franjo Tudjman tends to equate the defense of human rights and political dissent with treason. The news media are almost completely state-controlled and have undergone a process of "ideological cleansing," resulting in large-scale layoffs. Human rights groups, in particular the Croatian Helsinki Committee for Human Rights, have reported on illegal and often violent evictions, mostly of ethnic Serbs and Muslims, by state authorities from apartments formerly owned by the Yugoslav People's Army.

The president of the Helsinki Committee is regularly vilified as a traitor in the press. When Slobodan Budak, a leading human rights lawyer, spoke out on possible war crimes by Croats, his house was destroyed. A young policeman confessed to the crime

and has been released. Authorities claim it was a simple burglary and refuse to investigate evidence that it was an act of political terrorism.

In Turkey, the government uses its anti-terror law and penal code as instruments of repression. Eight Kurdish members of Parliament charged with violating the anti-terror law faced a possible

The Conference on Security and Cooperation in Europe can effectively strengthen human rights protections.

death penalty. At a hearing Nov. 24, the State Security Court refused legitimate defense requests for the production of material evidence and examination of witnesses, making a fair trial impossible. The court proceedings violated at least two of the human rights covenants to which Turkey is a signatory. The eight ultimately received prison sentences of up to 15 years.

Two members of the Human Rights Foundation of Turkey face charges of disseminating separatist propaganda for the publication of "File on Torture 1980-

1994," which documents cases of torture and death in Turkish prisons. But the international human rights community has noted that in 1993 alone, more than 20 people died in police custody in Turkey. Sixteen Turkish journalists, mostly working for Kurdish publications — have been murdered in the past two years. No one has been charged.

Turkey not only suppresses efforts to document and analyze these problems, it vociferously resists the presence of nongovernmental human rights groups that raise these issues in the CSCE and other international forums.

In the past two years, 23 Greek citizens have been indicted for criticizing the government's foreign and minority policies on charges such as "disturbing foreign relations," "insulting the government," and "disturbing peace through disharmony."

One man, Christos Sideropoulos, president of the Macedonian Movement for Human Rights, has been charged with disrupting international relations through statements on the issue of the Macedonian identity that he made at a CSCE conference.

On Dec. 2, Father Nikodimos Tsarkinas was convicted of "impersonating an authority" for wearing an Orthodox clerical outfit; he is a member of the

Macedonian Orthodox Church. The conviction was based on the argument that a Greek citizen cannot invoke his or her affiliation to a non-Greek church. This serious violation of religious freedom could have dangerous repercussions in the Balkans.

While the established democracies of Europe have softened their positions toward the Milosevic government in Serbia and contemplate acceding to the formation of a Greater Serbia, the citizens of that country are deprived of virtually every civil and political right.

The state maintains a stranglehold on the media and is still attempting to gain control of Borba, the remaining independent daily in Belgrade. The state media, having mobilized the population against non-Serbs through a program of "hate speech," now seek to create insecurity among Serbs. According to the Helsinki Committee for Human Rights in Serbia, the police force numbers more than 80,000 and is better equipped than the Yugoslav Army.

Oppressive rather than protective, these paramilitary police incessantly and gratuitously stop, search and otherwise harass civilians. "Ethnic cleansing" has continued in Vojvodina and Sanjak. In Kosovo, the Serbian regime has just arrested and allegedly tortured more than 120 ethnic Al-

banian former policemen under the pretext that they had established a parallel force alongside the Serbian police. Their lawyers accuse the Serbian authorities of having violated Serbian law on pretrial detention — not to mention international standards.

While Russia seeks a renewed leadership role in international affairs, authorities do not enforce existing legislation against those who organize aggressively nationalistic, paramilitary formations and who use the media to incite the population to racial and ethnic violence, which is unlawful under the national code.

Nearly 200 nationalistic newspapers and magazines are published in Russia, many of which are blatantly anti-Semitic, embracing the ideology and symbols of Nazi Germany. This rising "red-brown" movement, whose members often proclaim unity with "Serbian brothers," is a threat not only to the human rights of minorities in Russia, but to European security.

Meanwhile the CSCE has just concluded a two-month-long review conference in Budapest. Human rights organizations have lobbied strenuously for stronger commitments to protect human rights defenders, to uphold minimum humanitarian standards in crisis situations, to prevent torture, and to ensure just and humane treatment of refugees.

Despite the failure to take constructive action on Bosnia, in the final summit meeting, the results of the long and expensive Budapest meeting show that the CSCE can still become an effective mechanism to strengthen human rights protections.

The meeting's final document is a step forward. It strengthens commitments to human rights and puts states under more pressure to stand by them. Members will have fewer excuses to ignore violations. But talk is cheap. Given the mounting threats to human rights, the states must take their new commitments more seriously.

The writer is executive director of the International Helsinki Federation for Human Rights, Vienna. This comment was contributed to the International Herald Tribune.

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Argentina: Fight Barbarism From a Wall of Memory

By Noga Tarnopolsky

JERUSALEM — In the early hours of July 15, 1976, my uncle and aunt, Hugo and Blanca Tarnopolsky, their daughter, Betina, 15, their son, Sergio, and his wife, Laura, were kidnapped from three separate locations in Buenos Aires. They were never heard from again.

No neighbor admitted to hearing any ruckus as they were taken, no one raised an alarm and they became, in their echoing absence, part of the mass of desaparecidos under Argentina's military regime.

Last month, a landmark case was decided by Judge Oscar Garzon Funes of the Buenos Aires district court, in favor of the one surviving son, Daniel, who was 18 at the time of the kidnapping and not at home.

The decision granted Daniel \$3 million — \$1 million from the state and \$1 million each from two former military chiefs of staff, Emilio Massera and Armando Lambruschini, whose connection to the murders had been established in earlier trials.

The unprecedented ruling evokes the work of the great Argentine writer Jorge Luis Borges, whose stories turn on the twin subjects of memory and oblivion.

In one of those elegant ironies of history, the presiding judge is the namesake of the Borges hero Funes el Memorioso, a man condemned to memorize everything, his mind retaining detail after tiny detail until the burden of memory becomes his torment and undoing, as it has been Argentina's.

Judge Funes has struck a valiant blow both for memory and for justice in a country whose shame for decades has been its unspeakable cruelty and deliberate forgetfulness.

"Massera and Lambruschini were the incarnation of a despotic, lawless state that subverted the customs and morals of the people," reads the decision. "Democracy must compensate for the crimes of these individuals, and it is fitting that the state itself pay some of the reparations."

Thus, for the first time in Ar-

gentina's blood-drenched history, military officers are being held personally accountable by a court for directing the mass killings of their compatriots.

Judge Funes told the Argentine press, "My decision is based on only one thing: the defense of the right to live."

From 1976 to 1983, when the country was ruled by a military junta, Argentine human rights organizations say that as many as 30,000 people were kidnapped, tortured and killed. All were victims of the military's mania to eliminate supposed dissent and subversion. A high proportion of the desaparecidos were intellectuals, some were active in leftist causes or in civil rights organizations, and a disproportionate number were Jews.

The police displayed special interest in pregnant women, kidnapping them, keeping them alive until their babies were born and then killing them and giving the infants to childless military families.

Daniel's parents were middle-class Jewish intellectuals, with no involvement at all in politics.

When the judge wrote "democracy must compensate," he alluded to the fact that since 1986, a series of presidential decrees have subverted the due process of law.

First came the "full stop" law, which held that after Feb. 22, 1987, no more claims of human rights violations against junta members would be heard by the courts. This was followed by the "law of due obedience," which absolved all soldiers and officers beneath the rank of colonel for responsibility for any actions they had committed.

About 40 officers still could have been tried for human rights abuses when in 1988, facing a difficult election and yet another in a series of attempted military coups, President Raúl Alfonsín announced a general amnesty.

His successor, Carlos Saul Menem, an outspoken opponent of the amnesty while running for

office, reversed himself once he became president. In 1989, the year he was elected, he pardoned the remaining 210 officers convicted in trials in the 1980s.

Over the past two years, Mr. Menem has been singled out by the United States as a South American leader it can rely on.

But he is not the visionary reformer he makes himself out to be. Within hours of the Nov. 17 court decision in Daniel's favor, Mr. Menem announced the government's plan to appeal.

The appeal will go to the Supreme Court, five of whose nine members are personal friends of President Menem.

The court, which can also serve as an investigative body, is handling the inquiry into the bombing that killed 30 people at the Israeli Embassy in 1992. The case has languished for almost three years without a single witness being interviewed.

Mr. Menem has now presided over two farcical investigations of crimes against Jewish and Israeli targets, including the bombing that killed about 100 people at a Jewish community center in Buenos Aires in July.

When I asked a lawyer close to the July investigation about the government's progress, he said: "Forget about it. They're not looking into anything."

No one suggests that the government is implicated in the bombings — simply that its investigators are incompetent or afraid of what they might find, or both.

Today, the only memorial to the thousands of desaparecidos is a small forest in Israel, planted a few years ago by a private group.

Why is there no rage in Argentina? The Argentine novelist Marcos Aguinis said to me recently: "Remember, this is a country where even the non-Jews know they have no rights. Ask anybody on the street, and he will tell you, there is one law for us, and one law for them. Nobody even expects justice

here, and it is easier to forget."

My cousin Daniel has his own perspective on memory and honor. Seven years ago, realizing that presidential pardons would release the murderers of his family to the café-lined streets of Buenos Aires, he filed the civil suit for damages against them and against the state that he won — for now.

The day after the decision, he wrote in a Buenos Aires newspaper: "Why this lawsuit? The law of due obedience and, later, the amnesty sought to throw a blanket of oblivion over the acts that took place under the junta. They strove to silence everything, to cover, to erase, to deny. This is why, Argentines, do not forget. Memory is the only barrier against the recurrence of barbarism."

The writer is the Jerusalem correspondent for the New York-based weekly The Forward. She contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Graft Exposed

NEW YORK — At last one of the Police captains has confessed. Captain Creedon, a man with a splendid war record and an admirable police officer for the past twenty-five years, has made a clean breast before the Lexow Committee. He testified to-day [Dec. 14] that he stoutly resisted official blackmailers for five years and waited for his richly deserved promotion. Finally he yielded to the temptation and paid \$12,000 for the captaincy.

1919: Compiegne Fire

PARIS — Fire has destroyed part of the Château de Compiegne. The inhabitants of Compiegne had an alarm yesterday [Dec. 14] at 3 o'clock, when the locos and bugle-calls aroused the people to see the left wing of the château in flames, and in spite of the efforts

of the firemen, the Council Chamber, one of the gems of the building and Napoleon's bedroom, with its ceiling painted by Girodet, were destroyed.

1944: Bangkok Bombed

WASHINGTON — [From our New York edition:] Superfortresses of the 20th Bomber Command based in India, striking to-day [Dec. 14] at the southern reaches of Japan's stolen empire, attacked transportation centers at Bangkok, Thailand and Rangoon, Burma, 24 hours after the major attack of the 21st Bomber Command on Nagoya, Japan. Results were good at Bangkok and excellent at Rangoon, announced General Henry H. Arnold, commander in chief of the global 20th Air Force. One Superfortress was known to have been lost over the target at Rangoon.



International Herald Tribune

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S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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A black and white photograph showing a group of people protesting in front of the United Nations Security Council building. Several individuals are holding large signs that read "SARAJEVO 1000 DAYS OF SHAME" and "SARAJEVO 1000 JOURS DE HONTE". The protesters are dressed in formal attire, including suits and ties. The background shows the UN Security Council building with its distinctive architecture and the words "UNITED NATIONS" visible. The scene is crowded, and the protesters are standing on a raised platform or steps.

Mass Murder Trial Of Former Officials Begins in Ethiopia

ADDIS ABABA, Ethiopia — The principal architects of the defunct dictatorship of Lieutenant Colonel Mengistu Haile Mariam have been arraigned on charges of mass murder in the start of a trial aimed at exposing the atrocities of one of the most repressive regimes in modern-day Africa.

It is one of the only times since Nazi war criminals were tried at Nuremberg after World War II that any court, in any country, has brought perpetrators of state terror to justice. Many observers see the Ethiopian trials — if fair — as a potential model for a post-Cold War era with similar proceedings under way against war criminals in Rwanda, Cambodia and the former Yugoslavia.

The session on Tuesday marked the beginning of what could be months, or even years, of mass trials of up to 3,000 former members of a regime that the chief special prosecutor, Girma Wakjira, said "was always with sword in hand."

Defendants will face charges of everything from planning genocide — a "crime against humanity" under both international and Ethiopian law — to actually pulling the trigger against some of the thousands of Ethiopians killed during Colonel Mengistu's brutal war on "counterrevolutionaries."

And in a case apparently without legal precedent, former officials will also be charged with deliberately using famine and forced resettlement as weapons of war.

"This is the day we have been waiting for," said Omar Jejjuria, whose son was executed 16 years ago for membership in an armed group of victims of the regime.

He was among about 50 family members, friends and associates of the late Mengistu regime who attended the opening session, mingling and talking with relatives of the defendants outside the court, but once served as Colonel Mengistu's war commander. On the ceiling was one of his boasts: "We can control not only the reactionaries, but nature itself."

The courtroom was subdued as charges were read out over a four-hour period along with the names of 1,907 murder victims included in the indictments. The victims ranged from high school girls to the former emperor, Haile Selassie, and the patriarch of the Ethiopian Orthodox Church. Only an occasional muffled sob of recognition broke the silence.

The reading of names was a reminder of the 1976-78 "Red Terror," when Colonel Mengistu crushed supporters of the urban guerrilla movement in an all-out campaign against suspected "counterrevolutionaries" that claimed up to 100,000 mostly young victims, according to government prosecutors and human-rights monitors.

During that era, state-run radio regularly broadcast lists of people the government had executed, ostensibly "anti-revolutionaries," "feudalists" or "reactionaries." The few triumphant bars of music that accompanied the broadcast were soon widely dreaded.

"When you heard that music on the radio, you knew something terrible had happened again, that they would start reading the names," recalls Abebe Amdeudalen, a journalist. "You would listen every day, wondering who you knew had been killed."

Colonel Mengistu, who

In the first day's court sessions in May 1991 as the rebel army's war-shattered country was the first of 73 defendants advanced on this capital city, was the first of 73 defendants formally accused of genocide. All 73 were original members of the military junta that seized power in a 1974 coup.

Like two dozen of his brethren, Colonel Mengistu, lives in Addis Ababa while he is tried in absentia. Only 46 of the former officials appeared in court; a group of gray-haired men who betrayed none of the youthful fervor they showed in the clips from the Mengistu era, shaking their fists at recent army rallies. On Tuesday, most of them were neatly barbered wearing dark suits and ties and standing straight as names were called by the judge.

The defendants, who are represented by appointed attorneys, face a formidable arsenal of evidence compiled by the prosecution. There are minutes from an August 1975 junta meeting that voted to eliminate the enemy, or, thousands of documents including execution orders, triplicate, films of torture sessions, the testimony of more than 2,500 witnesses and forensic evidence from mass graves.

■ **Court Hears How Strangling of Selassie Was Done**
Emperor Haile Selassie was strangled in his bed by Marxist army officers who overthrew him, the court heard. Reuters reported from Addis Ababa.

Lawyers said this was the first official account of how the 47-year-old emperor died after the revolution — the most notorious murder of a monarch since Czar Nicholas II and his family were executed in 1918 following the Bolshevik Revolution.

Judges reading charges of genocide and murder on the second day of trials said the officers had met on Aug. 23, "and with complete premeditation resolved that His Imperial Majesty Haile Selassie should be strangled because he was the head of the feudal system."

"He was so strangled on Aug. 26, 1975, in his bed cruelly," they said.

Serbs Delay 2 Aid Convoys Heading to Sarajevo

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Two UN aid convoys moved toward Sarajevo despite Serbian harassment that briefly shut down the main route into the city Wednesday.

A spokesman for the UN High Commissioner for Refugees said two convoys with 239 tons of food were sent. Serbs stopped the trucks for inspection outside the city, but they were expected to reach the airport by evening, another United Nations spokesman said.

Thirteen more convoys were planned for Muslim enclaves around Bosnia during the day.

A 10-truck aid convoy set out Wednesday for the besieged Bosnian Muslim enclave of Bi-hac, where people are reported to be desperately short of food.

"We have received clearances from the Serbs and the convoy carrying 106 metric tons of food left Zagreb in the afternoon," a spokeswoman of the refugee office said.

The enclave got its first aid convoy in months Friday.

Serbian pressure on the peacekeepers and aid deliveries rose significantly after NATO warplanes struck Serbian targets in northwest Bosnia three times last month. Bosnian Serbs said they would not let up until there was no more threat of air strikes. The humanitarian airlift was suspended Nov. 21.

Meanwhile, mortar and machine-gun fire was fierce around the northwestern town of Velika Kladusa, north of Bi-hac, where a Bangladeshi

ed Monday by a missile.

Croatian Serbs and followers of the rebel Muslim leader Fret Abdic were fighting Bosnian government forces for control of the road out of Velika Kladusa, Abdic's former stronghold.

A UN spokesman described the situation in Bi-hac as "extremely serious." He said authorities had shut down water supply because of "founded fears" that the Serbs had poisoned it. (AP, Reuters)

TAPIE: Political Dreams Dashed by French Court's Bankruptcy Ruling

Continued from Page 1

French Senate, remarked: "You can't live on credit forever."

Mr. Tapie blamed the ruling on media "hate-mongering" and manipulation by the conservative government of Prime Minister Edouard Balladur, the front-runner to succeed Mr. Mitterrand. Mr. Tapie vowed "to make his attempt at the presidency fail."

If the ruling was a political catastrophe for Mr. Tapie, it was a financial disaster for debt-ridden Crédit Lyonnais, which cannot now reclaim the 1.2 billion francs the bank lent

him to finance his businesses in the 1980s.

"We won, but that doesn't mean we're happy," said Jean Veil, the bank's lawyer. "The court stated that Mr. and Mrs. Tapie cannot possibly pay their debts, which is dramatic for us."

The golden boy of French business in the 1980s, Mr. Tapie has fallen on hard times since 1990, when he overstretched himself to acquire Adidas, the world's largest sporting goods company.

But as his business empire crumbled, his political career soared. The impressive 12 percent he scored in the June elec-

tion as candidate of the Socialist Radical party led to talk of him as a first-round presidential contender.

Mr. Tapie, 51, voluntarily took himself out of the presidential race Tuesday, calling it a "bazaar" since the leftist president of the European Commission, Jacques Delors, ignored his front-runner's standing and decided not to run.

The rulings Wednesday focused on two of Mr. Tapie's myriad companies for which he was financially personally responsible — the umbrella company Bernard Tapie and a holding company.

Mr. Tapie's woes are over. On Monday, the ruling on the bankruptcy filed by Alain Colas T, which ran Mr. Tapie's 74-m (243-foot) yacht, the Phé-

Mr. Tapie has been ordered to pay 66.7 million francs in damages for falsely registering the as a commercial vessel.

On Tuesday, Tapie admitted what he called the "disgraceful" public tour of his 70-room franc Paris mansion in the French arrondissement after an auction by the Crédit Lyonnais to recoup some of the debt it owed.

PERU: Terrorist Group's Decline

Continued from Page 1

Shining Path's top leaders in 1992, the life in Ayacucho's main plaza — the Parque Sucre — is back, under the watchful eye of the military. Dozens of bars, hotels, restaurants and other businesses have opened, and many shops.

Oscar Ramirez Duran, known as Feliciano, took over the movement and has won continued fighting. Last month guerrillas killed targets in Lima, including two branches of the country's largest bank and an army force officers' club but there were no injuries.

FACE-OFF: U.S.-Chinese Incident in the Yellow Sea

Continued from Page 1

waters where they had barely found Chinese vessels before.

The incident also highlights some of the gunboat diplomacy surrounding the U.S.-North Korean nuclear agreement reached Oct. 17. In September, the Kitty Hawk was sent to waters off North Korea in what a U.S. military official acknowledged was a show of force intended to influence the negotiations.

In the Yellow Sea incident, American anti-submarine aircraft detected the submarine off the Shandong Peninsula, about 200 miles from the Kitty Hawk, Pentagon officials said. The Chinese vessel was found through electronic monitoring devices. At times during the

three-day encounter, it operated at periscope depth, about 35 to 40 feet below the surface.

For a time, the Chinese submarine eluded the carrier group, and U.S. planes began dropping devices called sonobuoys in an attempt to find it. After they did, the Kitty Hawk and the U.S. planes continued to track it. In response, the Chinese Air Force at one point sent its jet fighters toward the aircraft from the Kitty Hawk.

According to U.S. officials, China's warning that it would shoot next time was made to a U.S. military attaché at a dinner in Beijing, Chinese officials apparently felt that the planes with the Kitty Hawk may have violated Chinese airspace.

U.S. officials insist that the

Kitty Hawk and its planes did not violate Chinese airspace.

Some U.S. officials believe that China's strong reaction reflected some embarrassment that the carrier battle group operated near the Chinese coast.

On Tuesday, a spokesman for the Chinese Embassy in Washington said accounts of the incident involving the Kitty Hawk and the Chinese submarine were just "rumors."

"Nothing happened," he said.

Pentagon officials insist that the Kitty Hawk's captain did "the appropriate thing" by tracking the submarine, because "there always are concerns" about other powers' nuclear submarines.

BANKS: U.S. Firms Muscle In on European Market

Continued from Page 1

can banks are making inroads: "The real asset of the American banks is their worldwide presence, because when you privatize you need a world financial market. Second is their technical know-how, and, finally, their experience in specific industrial sectors like telecommunications."

David Freud, a privatization expert at Warburg, noted that in some of the "thinner and smaller" European markets—such as Milan, Frankfurt, Madrid or Amsterdam—even the best local institutions cannot place the volume of shares on offer. "The big pools of money for international equities are in the U.S. and Britain," he said.

The aggressive push into Europe by American firms is creating an uneasy feeling among the Old World's traditional stalwarts, but they Lazard Frères in France, Mediobanca in Italy or even Deutsche Bank in Germany.

In Paris, a senior partner of Lazard Frères pointed out that with its affiliates in New York and London, Lazard already has an international tradition and is therefore "not afraid" of competition. But he admitted that "the globalization of markets has transformed the situation of investment banks, with American firms playing an ever-greater role."

Rolf-Ernst Breuer, a board member of Deutsche Bank, concurred in an interview that even after shifting all investment banking operations to Deutsche's Morgan Grenfell subsidiary in London, it would take three to five years before Deutsche Bank could hope to compete.

The ability to combine capabilities that include corporate finance, independent industrial research, securities trading and a network of institutional investors for clients points to American firms' eventually "winning" lion's share of business," according to James Harmon, chairman of Wertheim Schroeder, a New York subsidiary of London's Schroeders.

Mr. Harmon forecast a consolidation of the industry, which could mean more Wall Street firms joining forces with less globally oriented European outfits.

Yet not all the Wall Street firms see a need to buy their way into the European corporate finance business. Mr. G. J. S. de Rothschild, a partner in the Goldman Sachs syndicate of firms, said that his firm prefers "to be a builder rather than an acquirer."

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Faubus, Integration Foe, Dies

The Associated Press

CONWAY, Arkansas — Orval E. Faubus, who as governor of Arkansas defied federal orders to desegregate Little Rock's Central High School in 1957, died at his home here on Wednesday. He was 84 and suffered from spinal cancer.

On Sept. 2, 1957, he ordered the National Guard to prevent black students from entering the school despite a court order. Nine black youths were turned away the next day. On Sept. 20, a federal judge ordered him to stop interfering.

President Dwight D. Eisenhower, who had federalized the guard, then sent in 1,200 paratroopers, under whose protection the students entered Central High. The soldiers stayed throughout the school year.

It was the first use of federal troops for school desegregation, showing the federal resolve behind the Supreme Court's 1954 desegregation decision.

To the last, Mr. Faubus insisted he acted only to avoid the violence he expected.

Mr. Faubus was born in poverty in an Ozark Mountain hamlet named Greasy Creek.

At 18, with only an elementary school education, he began teaching school, continuing until he completed his own high school education 10 years later.

In 1938, he hopped freight trains to Washington state, where he picked apples and cut timber. Then he returned to Arkansas and served as a court clerk and as county recorder. In 1942, he joined the army and rose to the rank of major in army intelligence. He ran for his first term as governor in 1954.

In 1969, at 59, Mr. Faubus divorced his wife of 37 years, Alta, and married 30-year-old Elizabeth Westmoreland. When he tried a political comeback the next year, Alta hurt his effort, saying, "Oh, it's the same old story — just a lot of promises. He promised to love, honor and obey me, and he broke all those promises."

The Faubuses moved to Houston, where in 1983 his second wife was murdered by a fugitive who was sentenced to life imprisonment. Mr. Faubus

moved back to Arkansas, where he was married a third time, to Jan Wittenburg, a teacher 33 years his junior, in 1986.

Hikmat Masri, 88, a leading organizer of opposition to British rule of Palestine before 1948, a former Jordanian cabinet minister, and a co-founder in 1964 of the Palestine Liberation Organization, died Tuesday in his native West Bank city of Nablus.

Alyce Marie (Lisa) Williamson, 34, an artist and great-granddaughter of Harrison Gray Otis, founder of the Los Angeles Times, died Sunday in Pasadena, California, of breast cancer.

Rose Silver, 90, a lawyer who defended John Dillinger when the gangster was sued by a Tucson, Arizona, bank in 1934, died Monday in Tucson.

Friedel Dzubas, 79, an abstract painter associated with the New York School in the 1950s and Color Field art in the '60s, died Sunday at his home in Newton, Massachusetts, after a long illness.

France to Propose EU Pupils Take 2 Extra Languages

Reuters

PARIS — European Union teenagers will have to study two European foreign languages under a proposal France plans to make during its EU presidency, the government said Wednesday.

European Affairs Minister Alain Lamassouze said at a news conference that France would seek an agreement on the teaching of two foreign languages in all EU secondary schools.

France's six-month presidency of the Union starts next month.

The number and type of languages that are taught at schools varies widely among member states.

Mr. Lamassouze said that France would also propose making English, French, German, Spanish and Italian the core languages in EU business, easing cross-translation problems which are caused by enlargement from 12 member states to 15.



SOVIET STRAGGLER — Scaffolding encloses a Red Army soldier statue in Berlin near the Brandenburg Gate. The sculpture, in the Tiergarten, needs restoration, but there has been no decision on whether Berlin or Germany will pay.

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EUROPEAN TOPICS

U.K. Government Opens Eyes To the Dangers of Hypnotism

With stage hypnotism enjoying a revival in British nightclubs, the government plans to review the practice, following reports of subjects later suffering violent headaches, panic attacks and mental disorders.

Michael Forsyth, a government minister, told Parliament there were "genuine concerns about the possible adverse consequences" of such hypnotism, particularly by people without professional qualifications.

One member of Parliament, Colin Pickthall, told of a Lancashire woman who died mysteriously just hours after being hypnotized. Another member, Tim Smith, said a constituent had reverted to childlike behavior after a public hypnotism and now "has to be accompanied by an adult at all times." In Glasgow, a woman received £20,000 (\$30,000) in an out-of-court settlement after falling off a stage during a show.

The Hypnotism Act of 1952 allows only

licensed hypnotists to perform stage shows and subjects them to a strict code of conduct. It also bars "porno-hypnotism" shows, such as have been staged in the United States. But one British hypnotist has gotten laughs by exhorting male subjects to imagine they are members of the Chippendales, a group of scantily clad male dancers.

Around Europe

The concierge, that classic symbol of French urban life, is falling victim to automation. In 1950, there were 60,000 concierges in Paris, cleaning, counseling, taking in mail, making small repairs, running errands. Now, with the spread of digital door codes and intercoms, their numbers are down to 30,000. A recent survey found that the typical concierge is a 50-year-old woman who works 55 hours a week. Sixty percent are Portuguese, 10 percent Spanish and nearly 30 percent French.

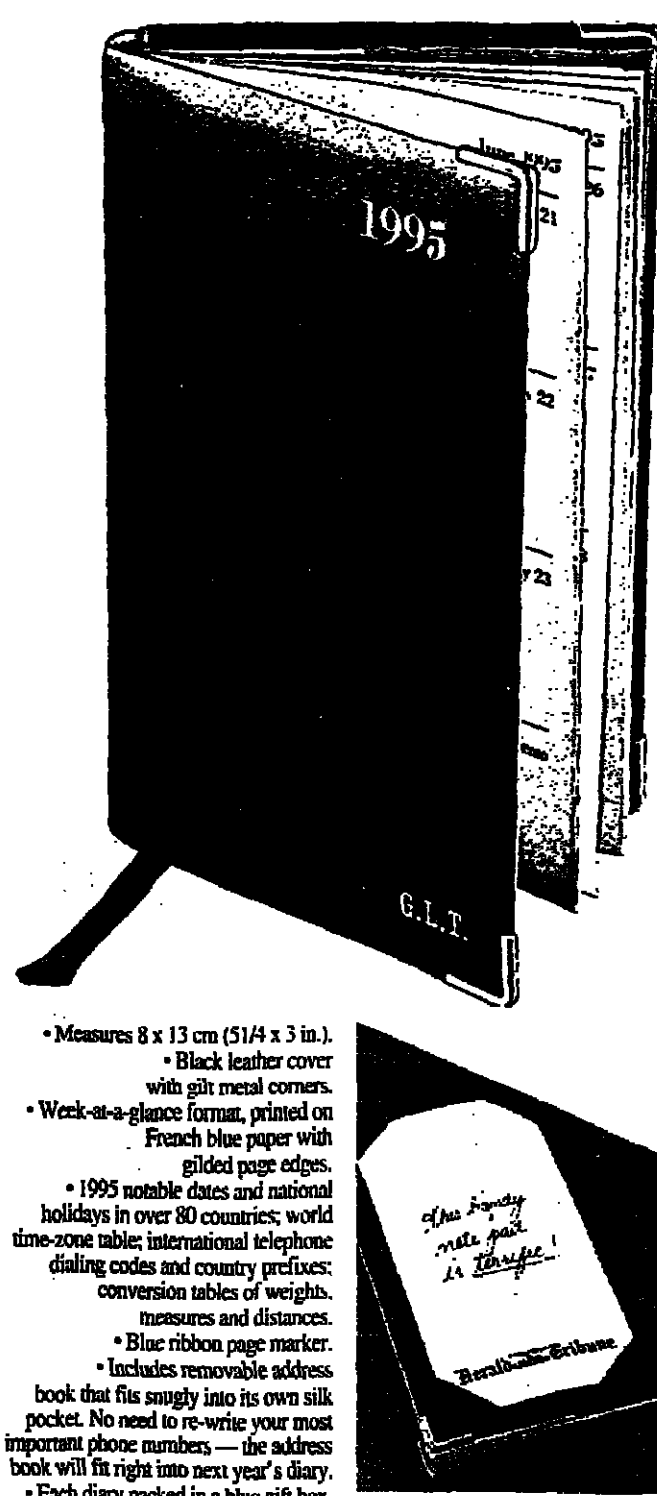
Also falling victim to automation are the rock lighthousemen of Britain. With the return to land earlier this month of a Mr. Robson and a Mr. Surplice from the Needles lighthouse, their breed has become extinct. (The lighthouse of Les Hanois, off Guernsey, follows next year.) Theirs was a hard but noble existence. Libby Purves writes in The Times. Stories have it that at Longships, a terrifying

spot of surging, crashing waves off Land's End, men's hair would turn white over the winter and "more than one untrained keeper has been driven insane from the sheer terror of the waves." Tales were legion of lighthousemen's brave rescues, and even of the heroics of their children — like young Grace Darling, who rowed through a storm to save survivors of a shipwreck in 1838. Because of their altruism and internationalism, lighthousemen have long been held in high esteem. In 1697, a French privateer kidnapped the builder of the Eddystone lighthouse. When Louis XIV learned of this, he ordered the man released immediately, saying, "France is at war with England, not with humanity."

Harking back to what is said to be an ancient tradition, a special ski run for nudists is being opened in the Austrian Alps. The piste, near the village of Obertraun, is in a secluded valley. (A similar experiment two years ago failed when the prying eyes of too many clothed vacationers scared away the nudists.) Johann Schuler, the ski-school owner who is opening the run, has tested it with friends who he said were "really enthusiastic." But he urges caution, "because falling down in the snow, nude, can be particularly disagreeable."

Brian Knowlton

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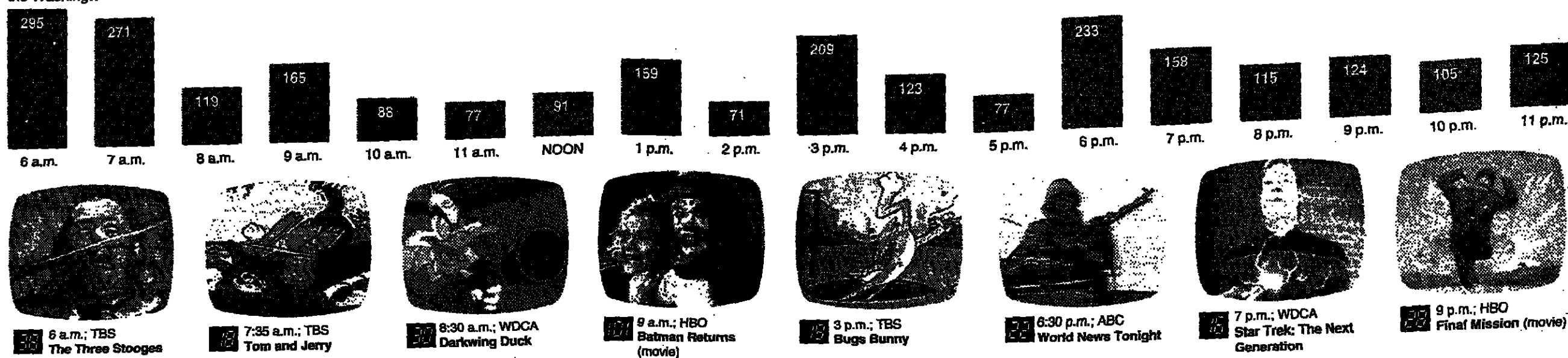
A Day in the Life: Tracking Television's Rough Stuff

A study by the Center for Media and Public Affairs analyzed the violent content of broadcast and cable television stations on Thursday, April 7. Programming by the Washington affiliates of ABC, CBS, NBC, Fox, PBS

and a Paramount-owned independent station (WDCA) was viewed from 6 a.m. to midnight. The cable channels were the Turner Broadcasting System (TBS), the USA Network, MTV and HBO.

The Thursday in April was chosen because it was watched by a large cross-section of the viewing public and the Fox network broadcast a full evening program schedule.

Below are the number of violent scenes each hour. The figures include fictional and nonfictional programs as well as commercials and promotional segments.



Above are selected images from some of the 20 programs with the highest number of violent incidents (■). The scenes for some programs are not from the episode broadcast on April 7.

From Hatcher/The New York Times

TV Violence and Real Aggression: How Firm Is the Link?

By Elizabeth Kolbert
New York Times Service

NEW YORK — In 1960, Dr. Leonard D. Eron, a psychology professor at Yale University, embarked on a study to identify the causes of aggression among children. He was most interested in finding out how the children were treated at home, but, to put the parents at ease, he also asked what he called "Ladies' Home Journal questions" about how much television the children watched.

Ten years later, Dr. Eron went back to interview the same families. To his surprise, he said, the best predictor of aggression among boys, now in their late teens, had nothing to do with how their parents had treated them; it was the amount of television violence they had watched a decade earlier.

Another 10 years later, he went back again — the children were adults by then — and found that the correlation still held: Those who watched television were more aggressive and more likely to commit crimes.

What surprised Dr. Eron in the early 1970s is part of the conventional wisdom today. As the rates of violent crime among young people have climbed, it has become a standard refrain that television, films and popular music lyrics are at least in part to blame.

Ranger" on CBS, movies like "Die Hard," and "gangsta" rap recordings like "Kill at Will" reinforce the sense many Americans have that such forms of entertainment do not merely mirror what is happening on the streets but help provoke it. Even Congress has embraced the conventional wisdom, encouraging the networks to reduce the level of violence they broadcast.

But there are sharp dissents from the standard view. Television executives argue strongly that it is not what is on the air but society at large that bears responsibility for the surge in violent crime by young people.

And a small but vocal number of social scientists argue that efforts to censor television violence are based on faulty logic, that while television watching may be associated with violence, that does not mean it causes violence.

"Aggressive kids tend to watch more aggressive television, that's true," said Jonathan L. Freedman, a professor of psychology at the University of Toronto, who has written several articles challenging the scientific research on the subject. "But the question is whether one causes the other."

Dr. Eron, now at the University of Michigan, still stands by his research. When he revisited the subjects of his study as they were about 30, he "found that the violent programming they had watched was related to the seriousness of the crimes they committed, how aggressive they were

to their spouses, and even to how aggressive their own kids were," he said.

While a majority of those who have studied the issue have concluded that there is some connection between watching violence and committing it, this connection has proved extremely difficult to quantify. Indeed, some studies have shown no link at all.

SKEPTICAL voices can also be heard among those who deal firsthand with youth violence and its consequences: police, prosecutors, probation officers and even the criminals themselves. In interviews, many said they disagreed with the researchers over the extent to which media violence contributed to actual violence, and what, if anything, should be done about it.

"The idea that television violence plus youth equals youth violence, that's something made up by social scientists," said Stephanie Arno, a New York City probation officer who works with young offenders. "These kids live with violence day in and day out."

And whether or not media violence leads directly to real violence, many people say, the indirect effects are worrisome enough. These people argue that violent images create an exaggerated sense of life's dangers — what one researcher calls the "mean world syndrome" — while at the same time desensitizing children to real-life violence.

"We've been in areas where we've had shooting victims and little kids who see them, and they're not upset," said Lieutenant Phil Yerrington of the Davenport, Iowa, police department. He attributed this indifference to a diet of violence on the screen. Television "does not promote violence," he said, "but it makes it less scary."

Anyone who watches television, goes to the movies, or listens to the songs popular with teen-agers knows that violence is a common theme.

Researchers estimate that the average child will watch 100,000 acts of simulated violence before graduating from elementary school. And studies have shown that poor children see even more.

Dr. George Gerbner, a professor and dean emeritus at the Annenberg School for

Communication at the University of Pennsylvania, has been monitoring television violence for more than 20 years. He has come up with what he calls a violence index, a measure based on the proportion of programs depicting violence, the frequency of the violence and the number of characters involved in it. While there have been fluctuations, the index for prime time has remained relatively constant in those 20 years.

Dr. Gerbner's analysis has been attacked for its quantitative rather than qualitative methodology — one that draws no distinction between the unimpeachable immolation of Wile E. Coyote and a realistic portrayal of murder — but his conclusions have been widely accepted by other researchers and by leading members of Congress. For his part, Dr. Gerbner maintains that his methods are

justified because to young imaginations, he says, cartoon violence can have as much impact as dramatic violence.

But skeptics remain: Dr. Freedman, a particularly vocal critic of the research, calls the evidence "laughable from a scientific point of view."

Those who believe that a causal connection has not been proved argue that if a link did exist, the study results would be more consistent and more compelling. "I'm now convinced that there either isn't an effect or that it's tiny," Dr. Freedman said. But proving such an absence, he noted, turns out to be nearly impossible. "You can't prove there is no Loch Ness monster," he said.

Genealogy of Ant-Fungus Affair

By Natalie Angier
New York Times Service

NEW YORK — They are tiny mandibled versions of Shiva, the Hindu god of devastation and restoration. In a mere three days, they can strip away every last trembling leaf, every vestige of chlorophyll from a large grove of trees. A herd of elephants or a blazing inferno could hardly do more damage to the face of a forest. Yet once they take their herbaceous plunder underground, the pillagers become gentle farmers, using the leafy matter to cultivate vast gardens of blooming fungi. They nourish the fungus, and the fungus in turn feeds their hungry multitudes.

And so the famed leaf-cutting ants act out their high drama of destruction and renewal, defoliating trees, bushes, vines, everything in their path — and from the wreckage creating a subterranean Eden, a myrmecian paradise.

The leaf-cutters represent the most advanced division of a powerful insect tribe called the attine ants, 200 species that engage in a mutually convenient arrange-

ment with fungi. The ants and the fungi are symbionts, dependent on one another for survival and each having evolved specializations to optimize their intertwined existence.

Scientists have long been impressed by the harmony of the partnership between attine ants and their colluding mold. And what scientist could ignore the ants' spectacular gardens when in building them the insects displace enough earth to fill a good-size human living room?

Yet only now are biologists discovering the nuances of the relationship and the evolutionary history behind it. They are applying molecular tools to reconstruct the genealogy of the symbiosis, determining when it arose and how it progressed over millions of years to assume, in its peak among the leaf-cutters, a partnership so powerful that it virtually controls the ecosystem of many regions of the Neotropics.

Dr. Edward O. Wilson, a naturalist at Harvard University and author, with Bert Hölldobler, of "The Ants," has described the adaptation of ants using fungi to take advantage of fresh vegetation as so successful "that it can be properly called one of the major breakthroughs in animal evolution."

In two papers appearing in the journal Science, researchers describe a number of complexities of the ant-fungal affair. They demonstrate that the co-evolution of the attine ants and their fungi dates from 50 million years back, reaching varying degrees of co-dependency in each case.

THE new work is of interest on multiple counts. Scientists now have a better handle on the symbiosis between ants and fungi than they do about most of the other mutualistic arrangements between natural organisms, of which there are many. Mycologists celebrate the research for its emphasis on fungi, which are of fundamental importance to all ecosystems on land and yet which are so robustly ignored that most universities do not bother having a mycologist on their faculties.

"Fungi are more numerous than plants by sixfold, yet there are a tenth the number of people studying them," said Dr. Thomas Bruns, a mycologist at the University of California at Berkeley. "That's starting to change as ecologists recognize that fungi are the basis of all terrestrial ecosystems. These papers add a lot of wonderful new data to the fungal sequence banks."

Contraception's Short Revolution

By Robin Herman
Washington Post Service

WASHINGTON — It was a revolution in a pill. It separated sex from reproduction and turned bobby-soxers into the Woodstock generation. It liberated women from fear of pregnancy and underpinned a drive for political and economic equality.

It was the birth-control pill, approved by the U. S. Food and Drug Administration in 1960. Together with the plastic intrauterine device (IUD), which became available four years later, it formed the first wave of modern birth-control methods.

This new breed of contraceptive was reliable, long-lasting, reversible and discreet. A woman could take precautions outside the bedroom and without discussion. More than a dozen pharmaceutical companies worked feverishly on competing versions of the new products, readily accepted by millions of women.

But the revolution in contraceptive research was short.

Today, three decades later, not a single new approach to contraception has reached the market. Recent products are only permutations of the original hormone pills, IUDs and the age-old barrier methods. The American pharmaceutical industry is in nearly full retreat: only one company continues substantial research.

Contraceptive products that were once plentiful, such as IUDs, have been withdrawn, and European companies skirt the American market. Foundations that used to support contraceptive research no longer have an interest. Academic fellowships in reproductive biology have dried up. Primary research involving the design and testing of new methods has moved to Europe and Asia.

"The atmosphere for research is abysmal," said Anita Nelson, an obstetrician-gynecologist involved in human trials of new contraceptives at Harbor-UCLA Medical Center. "We have nothing in our hands now available or coming down the pipeline that isn't based on basic research done in the 1960s."

New products like Norplant, the contraceptive implant, and Depo-Provera injections are simply new ways for women to receive ovulation-suppressing hormones like those contained in birth-control pills.

"Reality," the new "female condom," is just a large version of the male sheath.

Moreover, according to an Institute of Medicine report, "there is no broad public demand for the development of new contraceptives." Indeed, the fertility rate in the United States has stabilized at 1.8 per woman over a lifetime, about the same level as in other industrialized countries.

But scientists in reproductive medicine hear an urgent cry for better kinds of contraception in the following statistics:

• Fifty-seven percent of all pregnancies in the United States are unplanned; 3.6 million unintended pregnancies a year. And it's not just teenagers. According to the National Institutes of Health, 80 percent of unplanned pregnancies are to women 20 and older. Almost half end in abortion, and the rest result in births.

• The abortion rate in the United States, almost 30 percent of all pregnancies, is much higher than in nearly all other industrialized nations. In Britain, it's 16 percent; in Canada, 17 percent.

• Female sterilization, an operation to

clamp or cauterize the fallopian tubes to cause permanent infertility, is the second most popular method of contraception in the United States just after the birth-control pill. And a surprising percentage of married women under 30 resort to this irreversible step, more than 12 percent and on the rise.

• Teen-age pregnancy in the United States remains high. Twelve percent of all women ages 15 to 19 and 21 percent of all those who have had sexual intercourse become pregnant each year.

To the extent that there is interest in designing new contraceptives, the driving force is the AIDS epidemic. The government's priority is to fund research to find products that would protect against pregnancy and sexually transmitted viruses such as HIV and herpes.

For Dr. Nelson, more fundamental issues mitigate against vigorous research into contraception in the United States. "There is an ambivalence," she said. "I'm not sure we feel comfortable as a society having women control their fertility."

IN BRIEF

Cancer-Fighting Veggies

May Be on Market Soon

BRIGHTON, England (Reuters) — Vegetables grown to contain extra substances known to protect against cancer and heart disease could be in markets within five years, scientists say.

Researchers at a Biochemical Society conference here said fruits and vegetables could be bred to provide more antioxidants, which neutralize particles that can help cause cancer and heart disease. Fruits and vegetables naturally contain antioxidants such as vitamins A and E.

"Our way would mean that people would eat the same amount of food, fruit, or whatever, but it would contain increased amounts of antioxidants," said Dr. Peter Bramley, head of biochemistry at Royal Holloway College in Surrey, southern England. "I would say that the introduction of plants that have been manipulated to produce more effective antioxidants should be possible within five years," said Catherine Rice-Evans, professor of biochemistry at the United Medical and Dental Schools at London's Guy's Hospital.

2 American Scientists Are Winners of Japan Prize

TOKYO (AP) — American scientists who developed light-emitting diodes and biological ways of eliminating insect pests were named winners on Wednesday of the 1995 Japan Prize. Each will receive \$500,000.

Dr. Nick Holonyak Jr., 66, a professor at the University of Illinois, is to receive the prize for inventing the first practical light-emitting diode in the early 1960s and for his later work on semiconductor lasers.

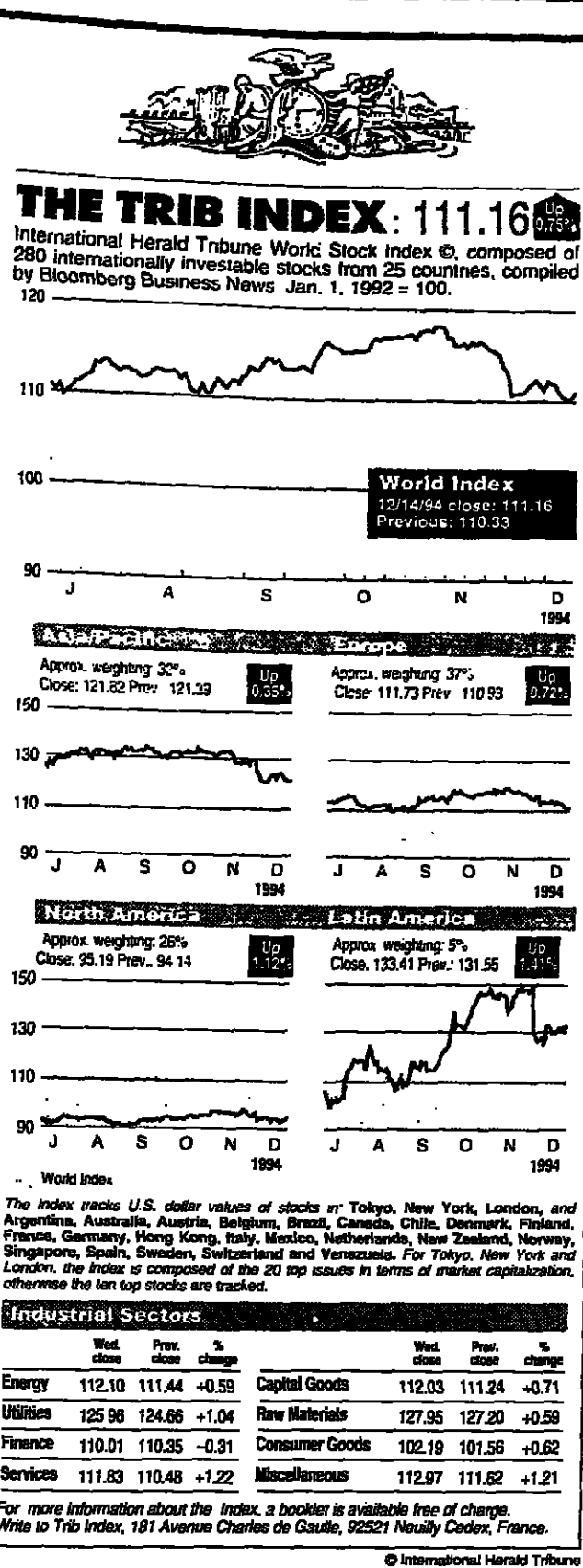
Dr. Edward Fred Knippling, 85, professor emeritus at Florida State University, was chosen for having developed the use of sterile insects to fight insect pests. He was successful in eradicating the screwworm fly, a sometimes fatal pest of livestock in Mexico and the United States, by sterilizing flies and then releasing them into nature. Flies that mated with the sterile flies failed to produce offspring, reducing their numbers.

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IN ASSOCIATION WITH Sprint.



Proton Leaves Its Malaysian Nest State-Backed Automaker Faces Barriers in Europe

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — After rising to dominate Malaysia's car market in less than a decade, the state-controlled automaker has set its sights on expanding exports to Europe and throughout Asia. But the company, Perusahan Otomobil Nasional Bhd., will probably find the export road much rougher than its home highway.

It can expect to run into protectionist barriers similar to those that foreign auto companies complain of in Malaysia, analysts and company officials say.

Since it started production nine years ago, Perusahan Otomobil has used preferential tax treatment given by the government to undercut rivals. For example, the company pays only a 13 percent tariff on its imported components while foreign competitors in Malaysia pay 42 percent. The company captured 74 percent of car sales in Malaysia in 1993 with its Proton brand name, up from just 11 percent in 1985.

Perusahan Otomobil is 40 percent owned by government-controlled entities, after listing on the Kuala Lumpur stock exchange in 1992, and 17 percent-owned by the Mitsubishi group of Japan.

Now, as it is about to launch sales in France, Belgium and Luxembourg followed by Germany and the Netherlands in the first half of 1995, the company is starting to feel protectionist pressures. The European market remains saturated and local manufacturers are worried about inroads by Asian carmakers.

Perusahan Otomobil plans to sell just

12,000 Protons in continental Europe in 1995. By contrast, Daewoo Motor Co. of South Korea wants to sell 100,000 cars in its first year. Even so, European carmakers are applying "strong and growing pressure" on the European Union to remove Malaysia's duty-free access, said Norzahid Mohamad Zahidi, deputy manager of Perusahan Otomobil's business division.

"Europe is a very competitive market," he noted in a recent interview. "Everybody's having a tough time."

Malaysia can import its Protons duty-free under the EU's Generalized System of Tariff Preferences for developing countries. Mr. Norzahid said that European carmakers were seeking a tariff rate of around 4 percent on vehicle imports from Malaysia.

More than 600,000 Protons have been produced. Since 1986, some 92,000 have been exported to at least 20 countries. Britain is by far the largest export market with cumulative sales of nearly 79,000 to September, followed by Singapore, with nearly 10,000.

Exports to Britain so far this year have been significantly lower than in 1993, when a record 17,440 units were sold, because of tougher competition — especially from cheaper South Korean models.

The Proton, and the skills and technology which its development are intended to bring, is a cornerstone of a government program to make Malaysia a fully industrialized country by 2020.

Evidently seeking to play down Malaysia's auto-export drive, Prime Minister

Mahathir bin Mohamad said recently that the Proton was seeking only a small niche in the international car market.

"We have no great ambition, but we would like to be able to export at least half of what we produce," he said.

Around 20 percent of annual Proton production is currently exported. Perusahan Otomobil hopes to export 30 percent of production by 1995, when it expects output to reach 150,000 units per year.

To achieve that goal, the company will have to push for higher sales in both the domestic and export markets, according to an analyst at HG Asia (Malaysia) Sdn. "Given that additional expansion of its domestic market will be difficult, Proton must look to the export market for further growth," he said.

Mr. Norzahid said that Perusahan Otomobil's strategy "is to really concentrate on Asia while not forgetting the rest of the world."

Despite objections from Japanese companies that dominate the local car industry in the Philippines, President Fidel V. Ramos said last week that he had approved plans for Protons to be assembled in the Philippines for sale locally and overseas starting in 1996.

The car will be produced by Proton Filipinas Inc. That company will be 70 percent owned by Perusahan Otomobil.

See EXPORT, Page 13

U.S. Markets Cheer Reports Of Low Inflation

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices rose Wednesday as Wall Street responded to favorable inflation data.

The Labor Department reported that its consumer price index rose just 0.3 percent in November as cheaper clothing and airline fares offset increases in energy and vegetable prices.

Another report showed that capacity utilization, a closely watched gauge of future inflation, came in at 84.7 percent. The figure was lower than expected and below the 85 percent level that would indicate upward price pressures.

Producers prices, reported on Tuesday, edged up 0.5 percent in November. The core rate, with the volatile energy and food sectors omitted, gained just 0.1 percent.

Analysts said the reports allayed fears that the Federal Reserve Board would raise interest rates before the end of the year. Wall Street now expects the Fed to put off further rate rises until early next year, they said.

The Dow Jones industrial average closed up 30.95 points, at 3,746.29. Advancing issues outnumbered declining ones by a 2-to-1 ratio.

"The data show that yearly inflation is 2.7 percent, and that inflation next year will be 3 percent, which the bond market already started to discount for the first quarter," said Peter Cardillo of Westfall Investments.

Bond prices rose after the economic reports, but they fell back in later trading. The 30-year Treasury bond finished down 2/32, to 95 27/32, that put the yield at 7.86 percent, up 0.01 percentage point from Tuesday.

"People think we've struck a happy medium. Rates aren't going a whole lot higher, and the economy is perking along at a reasonable rate," said Jim

General Mills Plans to Split

Bloomberg Business News

MINNEAPOLIS — General Mills Inc. said Wednesday it would split, creating separate consumer foods and restaurant companies on June 1.

Consumer foods, which will retain the General Mills name, will hold about 80 percent of the company's existing debt. Included will be brand-name products such as Betty Crocker mixes, Wheaties, Cheerios, Yoplait and Gorton's seafood.

The restaurant operation will be spun off to shareholders as a company that is so far unnamed. It will include Red Lobster, Olive Garden and China Coast, and it will hold 20 percent of the existing debt.

General Mills shares soared on the news in late trading on the Pacific Stock Exchange, gaining \$2.50 to \$48.

Existing shareholders would get one share of the new restaurant company for each General Mills share they own.

Consumer foods is expected to have a larger cash flow after the payment of dividends and fixed-asset investments than the combined company. Its goal will be to increase earnings per share by 12 percent a year, General Mills said.

Benning, a trader at BT Brokerage, "I don't see a lot of danger out there for stocks."

The Commerce Department also reported that the U.S. trade deficit widened in the third quarter to its biggest shortfall in nearly seven years as America's

See STOCKS, Page 10

Hong Kong Plot Gets No Bids at Auction

Compiled by Our Staff From Dispatches

HONG KONG — The government withdrew a residential site from a land auction Wednesday after it attracted no bids, the second time in a decade that an offering has flopped in Hong Kong.

The government auctioneer called the result disappointing, but analysts were reluctant to term it a benchmark for the property sector, which makes up at least 45 percent of stock market capitalization.

"It's not a disaster," said Alexander

Webber, a director at Vigers Hong Kong, a property consulting firm.

The last time Hong Kong had to withdraw a residential site from auction was during the 1983-84 period, when China and Britain were negotiating the colony's 1997 return to Chinese rule.

Developers said the opening price of 380 million Hong Kong dollars (\$49 million) for the 8,431-square-meter (93,678-square-foot) Yuen Long plot was too high because the area was far from the urban district.

A second lot zoned for parking and ware-

house use sold for 170 million Hong Kong dollars, at the bottom end of expectations.

Analysts said the auction confirmed forecasts of a further 10 percent to 15 percent fall in residential prices by mid-1995.

Hong Kong property prices soared more than 60 percent in 1993 and 30 percent in the first quarter of 1994.

The Hang Seng index fell more than 100 points within 10 minutes of the announcement of the withdrawal but managed to recover to close up 147.60 points, at 7,997.35. (Reuters, Bloomberg, AP, AFP)

INTERNATIONAL MANAGER

Daimler Changes Guard, and Vision

By Brandon Mitchener
International Herald Tribune

STUTTGART — Edzard Reuter still has another five months at the helm of Daimler-Benz AG, but the sprawling transportation and technology conglomerate is already feeling the effects of his departure.

While Mr. Reuter exudes an apparently boundless patience with his decade-old dream of hitching a global high-tech company to Germany's flagship automaker, his designated successor, Jürgen Schrempp, is watching the cash register and the clock.

A dramatic change in the company's competitive environment, coupled with an earnest desire to set an example in shareholder value, have made Mr. Schrempp, the pragmatic head of Daimler's Deutsche Aerospace AG division, disinclined to wait for nebulous synergies to produce profit.

Mr. Schrempp, like Mr. Reuter, does sing the praises of corporate continuity, which means maintaining the grand vision of being global leader in automotive, aerospace and electronic technology. "No one in management questions the decision to go beyond cars," Mr. Schrempp said.

Mr. Reuter, giving his last speech at the company's annual Christmas dinner with journalists, said a return to operating profit this year after a dismal performance in 1993 had confirmed that the company was "on track."

He said that operating profit for 1994 was likely to be more than double the 926

million Deutsche marks (\$588 million) reported for the first half.

Nevertheless, Mr. Schrempp, facing the need to continue the company's restructuring despite an economic recovery, promises to be increasingly ruthless in plans to close plants, lay off workers and sell unprofitable units.

"It takes more courage to sell something than to buy it. But I will be the first

The successor is disinclined to wait for nebulous synergies to produce profit.

Daimler chairman with manufacturing experience," Mr. Schrempp said, adding that "that lends me a certain credibility."

At Deutsche Aerospace, Mr. Schrempp recently pressured unions to approve the company's plans to close six German manufacturing plants and lay off 10,500 workers. He is expected to follow through at Daimler, cutting local manufacturing capacity and spinning off noncore activities.

While Mr. Reuter's goal was to forge an integrated high-technology group, active in everything from missiles to microchips, Mr. Schrempp is expected to focus on transportation.

He is using the period of transition to

visit Daimler units around the world, listening to the complaints and suggestions of local managers in an effort to establish strategic priorities.

One of the most pressing problems confronting Daimler is what to do with AEG Daimler-Benz Industrie, the holding company's perennially unprofitable electrical engineering division.

AEG has been busy selling what it calls noncore activities, but industry analysts are still unsure what the core is supposed to be, describing the company's myriad divisions as mostly too small to survive.

"They still need to find partners or sell a lot of what's left," said Joachim Bernsdorff, an analyst with Bank Julius Bär (Deutschland). "It was a mistake to buy AEG in the beginning and they're still trying to correct it."

In an interview, Mr. Schrempp evaded a direct response to AEG issue but said Daimler would re-examine its support for parts of the group that did not belong or were too expensive to maintain.

The same goes for other areas of the group, including Deutsche Aerospace, which continues to lose money on its defense activities and has reported slumping sales in civil aeronautics as well.

Company officials said Mr. Schrempp would try to make changes in a way that allowed Mr. Reuter to save face. But, given a choice between embarrassment and continuing losses, Mr. Schrempp would choose to be embarrassed, they said.

NHL and Hoffman to Merge U.S. Labs

LA JOLLA, California — National Health Laboratories Holdings Inc. and Hoffman-La Roche Inc. said Wednesday that they would merge their U.S. clinical laboratory operations, creating a new company that would have annual revenues of \$1.7 billion.

The merger was the latest in a consolidation among health-care providers as the industry strives to cut costs.

Under the agreement, Hoffman-La Roche, a unit of Roche Holding Ltd. of Basel, Switzerland, will merge its Roche Biomedical Laboratories of Burlington, North Carolina, into the new company and will acquire a 49.9 percent interest.

Hoffman-La Roche, which has its U.S. headquarters in Nutley, New Jersey, said it

would also provide \$186.7 million in cash and would receive 8.3 million warrants to buy shares in the new company.

National Health said its shareholders would have a 50.1 percent stake in the firm. The transaction calls for each National Health share to be exchanged for 0.72 share of the new firm's stock and a payment of \$5.60 in cash.

The stock of National Health Laboratories rose \$1.50, to \$13.00, on the New York Stock Exchange.

National Health Labs had revenue last year of \$761 million, and Roche Biomedical Labs had revenue of \$712 million.

National Health, which provides clinical lab services in 44 states, said it expected to declare a dividend that would be payable

to holders of record of common stock three business days before the merger is completed.

The dividend will consist of warrants, exercisable after five years, to purchase shares of the new firm's stock at \$22 a share. They will be distributed at a rate of about 0.163 warrant per common share, or a total 13.8 million warrants.

National Health said the merger was conditional, pending a favorable vote by a majority of its shareholders, and was subject to expiration of the waiting periods required by law.

MacAndrews & Forbes Holdings Inc., which owns 24 percent of National Health's outstanding shares, has approved the deal.

Disney to Cut Entrance Fees by 22% at Paris Park

PARIS — Euro Disney SCA said Wednesday it would slash entrance fees more than 20 percent at its financially troubled theme park east of Paris.

The company hopes the price cut can be offset by attracting 700,000 or more additional visitors. The move could lower 1994-95 operating revenue by up to 5 percent if attendance does not rise.

Entrance fees for adults will drop 22 percent, from 250

francs (\$46) to 195 francs, from April 1 to Oct. 1.

Euro Disney said it would offer discounts in the period before the new fees took effect, including allowing one child to come free with an adult who has bought a package that includes lodging.

Euro Disney's chairman, Philippe Bourguignon, said the decision to lower fees became possible "after 18 months of backstage improvements to increase operating effectiveness."

The company posted a loss of 1.8 billion francs in 1993-94 but predicted it would break even in 1996. The park's attendance in 1993-94 was 8.8 million, down from 9.8 million in 1992-93.

At a separate news conference, Claude Villain, the government's chief liaison with Euro Disney, said the state had recouped its 2.8 billion franc investment in the theme park. He said tax revenues from park had amounted to about 1.4 billion francs a year during each of the first two years of operation.

The park, now known as Disneyland Paris rather than Euro Disneyland, opened with much fanfare in April 1992.

After posting a loss of 5.3 billion francs in fiscal 1992-93, Euro Disney's creditor banks and Walt Disney Co., which owns 40 percent of the park, announced a rescue package in March that included a 6-billion-franc rights issue.

CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits										Key Money Rates									
	\$	£	J¥	DM	FF	Sc	S	Y	Ch		Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU		United States	Great Britain	France	Germany	Japan	Italy	Spain	Sweden	Netherlands			
Amsterdam	1.729	2.740	1.179	1.628	1.005	—	1.445	1.25	1.21	1 month	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Discount rate	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%			
Berlin	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	3 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Prime rate	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%			
Frankfurt	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	6 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month T-bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
London	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Madrid	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Paris	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Porto	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Tokyo	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Yokohama	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 ECU	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 SDR	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of International Communications, Credit Lyonnais.																													

Cross Rates										Eurocurrency Deposits										Key Money Rates									
	\$	£	J¥	DM	FF	Sc	S	Y	Ch		Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU		United States	Great Britain	France	Germany	Japan	Italy	Spain	Sweden	Netherlands			
Amsterdam	1.729	2.740	1.179	1.628	1.005	—	1.445	1.25	1.21	1 month	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Discount rate	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%			
Berlin	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	3 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Prime rate	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%			
Frankfurt	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	6 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month T-bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
London	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Madrid	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Paris	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Porto	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Tokyo	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Yokohama	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 ECU	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 SDR	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of International Communications, Credit Lyonnais.																													

Cross Rates										Eurocurrency Deposits										Key Money Rates									
	\$	£	J¥	DM	FF	Sc	S	Y	Ch		Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU		United States	Great Britain	France	Germany	Japan	Italy	Spain	Sweden	Netherlands			
Amsterdam	1.729	2.740	1.179	1.628	1.005	—	1.445	1.25	1.21	1 month	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Discount rate	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%			
Berlin	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	3 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Prime rate	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%			
Frankfurt	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	6 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month T-bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
London	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Madrid	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Paris	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Porto	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Tokyo	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Yokohama	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 ECU	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Euro	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
1 SDR	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of International Communications, Credit Lyonnais.																													

Cross Rates										Eurocurrency Deposits										Key Money Rates									
	\$	£	J¥	DM	FF	Sc	S	Y	Ch		Dollar	D-Mark	Swiss Franc	French Franc	Yen	ECU		United States	Great Britain	France	Germany	Japan	Italy	Spain	Sweden	Netherlands			
Amsterdam	1.729	2.740	1.179	1.628	1.005	—	1.445	1.25	1.21	1 month	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Discount rate	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%	4 1/4%			
Berlin	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	3 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	Prime rate	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%			
Frankfurt	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	6 months	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month T-bill	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
London	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury note	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Madrid	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year	4 1/4-5 1/4	5 1/2-5 3/4	3 1/4-4 1/4	6 1/4-6 1/2	5 1/2-5 3/4	2 1/2-2 3/4	4 1/4-4 1/2	3-month Treasury bond	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%	5 1/2%			
Paris	1.729	2.740	—	1.628	1.005	—	1.445	1.25	1.21	1 year																			

MARKET DIARY

Mark Gains on Dollar As Rate Fears Subside

Compiled by Our Staff From Dispatches
NEW YORK — The dollar slipped against the Deutsche mark and other major European currencies on Wednesday after data on U.S. November consumer prices and capacity use suggested that the Federal Reserve

Board might not lift rates at the meeting Tuesday of its policy-making Federal Open Market Committee.

The U.S. unit closed Wednesday at 1.5690 DM, down from 1.5729 DM on Tuesday, and at 1.3270 Swiss francs, down from 1.3303 francs.

Currency movement seemed concentrated in Europe, however, and the dollar was little changed against the yen. The U.S. unit closed at 100.285 yen, up slightly from 100.285 yen on Tuesday.

"Not many people expect the Fed to move on the 20th," said Belal Khan, a dealer at Bank of Tokyo. "The Fed will probably wait to see the January figures."

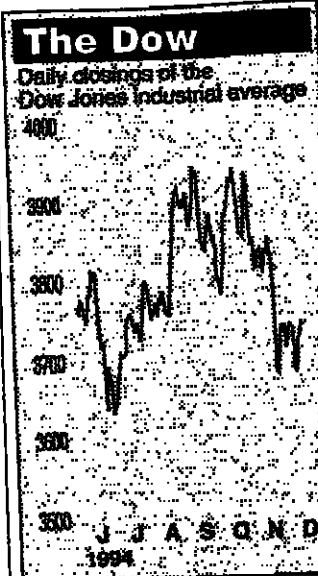
Dealers said the dollar also continued to be restrained by the strength of the Deutsche mark. Traders said capital flows continued to bolster the German unit amid generalized weakness in southern European financial markets.

"We have seen excessive buying of marks for French francs and lira and it is basically putting a lid on the dollar," said Paul Farrell, vice president at Chase Manhattan Bank. "It is starting to turn the technicals around on us."

Traders said that the 0.2 percent rise in the core U.S. consumer price index was a shade below expectations, while the 0.2 percent rise in November capacity use was generally in line with market expectations.

Nervous political situations in Italy and France allowed the mark to gain ground. One French bank dealer said investors were "looking for a quality place to park cash while waiting for the Bundesbank to raise rates."

(Reuters, Knight-Ridder)



Dow Jones Averages

Index	Open	High	Low	Close	Chg.
Indus.	5712.31	5725.74	5712.44	5745.57	+33.25
Transp.	1252.19	1254.10	1252.10	1252.10	+0.91
Comp.	1812.18	1812.18	1812.18	1812.18	+0.00
Total	1252.19	1254.10	1252.10	1252.10	+0.91

Standard & Poor's Indexes

Index	High	Low	Close	Chg.
Industrials	541.21	539.44	539.55	+0.11
Transp.	125.19	125.10	125.10	+0.00
Comp.	181.18	181.18	181.18	+0.00
Total	125.19	125.10	125.10	+0.00

NYSE Indexes

Index	High	Low	Close	Chg.
Composite	541.21	539.44	539.55	+0.11
Industrials	541.21	539.44	539.55	+0.11
Transp.	125.19	125.10	125.10	+0.00
Comp.	181.18	181.18	181.18	+0.00

NASDAQ Indexes

Index	High	Low	Close	Chg.
Composite	725.09	725.09	725.09	+0.00
Industrials	725.09	725.09	725.09	+0.00
Transp.	725.09	725.09	725.09	+0.00
Comp.	725.09	725.09	725.09	+0.00

AMEX Stock Index

Index	High	Low	Close	Chg.
Composite	423.22	423.18	423.07	+0.15

Dow Jones Bond Averages

Index	Close	Chg.
30 Bonds	144.00	+0.10
10 Industrials	144.00	+0.10

NYSE Diary

Index	Close	Chg.
Advanced	1399	+1356
Declined	1268	+1690
Total Issues	27	+480
New Issues	128	+177

AMEX Diary

Index	Close	Chg.
Advanced	311	+311
Declined	311	+311
Total Issues	3	+3
New Issues	3	+3

NASDAQ Diary

Index	Close	Chg.
Advanced	1844	+1990
Declined	1268	+1690
Total Issues	27	+480
New Issues	128	+177

Spot Commodities

Commodity	High	Low	Close	Chg.
Aluminum	1.85	1.85	1.85	+0.00
Copper	2.10	2.10	2.10	+0.00
Gold	428	428	428	+0.00
Oil	2.97	2.97	2.97	+0.00
Silver	5.77	5.77	5.77	+0.00

EUROPEAN FUTURES

Index	High	Low	Close	Chg.
ALUMINUM (High Grade)	1524.00	1524.00	1524.00	+0.00
COPPER (High Grade)	257.00	257.00	257.00	+0.00
NICKEL	10.00	10.00	10.00	+0.00
ZINC	1.00	1.00	1.00	+0.00

3-MONTH STERLING (LIPF)

Index	High	Low	Close	Chg.
3-MONTH STERLING (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

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Index	High	Low	Close	Chg.
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Index	High	Low	Close	Chg.
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3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
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Index	High	Low	Close	Chg.
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3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

3-MONTH EURO (LIPF)

Index	High	Low	Close	Chg.
3-MONTH EURO (LIPF)	1.5690	1.5690	1.5690	+0.00

Stock Indexes

Index	High	Low	Close	Chg.
FTSE 100 (LIPF)	2883.00	2883.00	2883.00	+0.00
DAX (LIPF)	1575.00	1575.00	1575.00	+0.00
Nikkei 225	14150.00	14150.00	14150.00	+0.00
Hang Seng	11100.00	11100.00	11100.00	+0.00

Dividends

Company	Per Share	Ex Date	Pay Date
General Electric	0.20	12-15-94	12-15-94
IBM	0.20	12-15-94	12-15-94
Microsoft	0.20	12-15-94	12-15-94

Stock Splits

Company	Ratio	Effective Date
General Electric	2:1	12-15-94
IBM	2:1	12-15-94
Microsoft	2:1	12-15-94

Stock Splits

Company	Ratio	Effective Date
General Electric	2:1	12-15-94
IBM	2:1	12-15-94
Microsoft	2:1	12-15-94

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Microsoft	2:1	12-15-94

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IBM	2:1	12-15-94
Microsoft	2:1	12-15-94

Stock Splits

Company	Ratio	Effective Date
General Electric	2:1	12-15-94
IBM	2:1	12-15-94
Microsoft	2:1	12-15-94

Stock Splits

Company	Ratio	Effective Date
General Electric	2:1	12-15-94
IBM	2:1	12-15-94
Microsoft	2:1	12-15-94

STOCKS: Gain on Low Inflation

Continued from Page 9
appetite for imports continued unabated.

Imports of merchandise have been climbing to record highs as the U.S. economy expands more rapidly than that of other countries.

The current account deficit — the broadest measure of trade — grew to \$41.7 billion in the third quarter from \$37.9 billion in the second quarter.

It was the biggest shortfall since the fourth quarter of 1987, when the United States racked up a \$43.2 billion trade deficit.

But analysts said the deficit was in line with their expectations.

The current account measures trade not only in merchandise goods but also in services such as insurance and in investment flows and grants to other countries.

Some analysts said the stock market's rise was part of what they called a traditional year-end rally.

"There could be a Santa Claus," said Tara Keiter of Natwest Securities. She said the market had been looking for an year-end rally to take hold and now it had the economic numbers to support it.

"The economy is growing but inflation is not getting out of

control — which is basically what people in the government have been saying, but you never believe them," Ms. Keiter said.

With the latest reports confirming that view, she said, "Maybe they have something there."

The most actively traded stock was Novell, which fell 1/4, to 16, on the over-the-counter market after the software company posted fourth-quarter earnings Tuesday that were well below expectations.

Novell, which was well below expectations, Novell said profit, excluding charges related to the June acquisition of WordPerfect, fell to \$61 million, compared with \$88 million a year ago.

AT&T shares were the most active on the Big Board, rising 1/4, to 51, after a meeting with analysts Tuesday bolstered confidence in the company's earnings outlook.

Compaq fell 1/4, to 37 1/2, as corporate officers announced that they had sold holdings in the computer maker.

Sprint rose 3/4, to 30 1/2, in the aftermath of its agreement with Telefonos de Mexico to form an alliance to offer telecommunication services between Mexico and the United States.

Financial stocks rallied in response to the optimistic inflation outlook. (Reuters, AP, Bloomberg, Knight-Ridder)

French Court Finds Former Magistrate Guilty of Libel

PARIS — A Paris court ruled Wednesday that an investigating magistrate turned politician had libeled the French water utility Lyonnaise des Eaux-Dumetz by obliquely accusing it of orchestrating political corruption.

The court awarded symbolic one-franc damages against Thierry Jean-Pierre, who made his name uncovering the funding scandal that undermined the Socialist Party in the late 1980s.

It found he had defamed Lyonnaise during his successful bid in June to win a seat on a radical nationalist ticket in the European Parliament.

In a campaign document, Mr. Jean-Pierre said: "Eighty percent of political corruption is organized by two big groups, each composed of several hundred companies."

Although he did not name the two groups, the court found Lyonnaise was justified in seeing this as a reference to itself.

Units of Lyonnaise, as well as its chief water rival Compagnie Generale des Eaux and a number of other big contractors, figure among those embroiled in a rash of investigations involving alleged payments to public officials and political parties.

Edmond Alphandery, the economy minister, released the valuation as Air France prepared to give employees shares in exchange for pay cuts.

The French Economy Ministry said Wednesday that Air France would be valued at just 3.6 billion French francs (\$660 million) once the state has given it the first of three shares of a 20-billion franc capital infusion, Bloomberg News Service reported from Paris.

Edmond Alphandery, the economy minister, released the valuation as Air France prepared to give employees shares in exchange

Fokker Forecast Hits Shares

Compiled by Our Staff From Dispatches
AMSTERDAM — Shares in Fokker NV fell 15 percent on Wednesday, a day after the Dutch aircraft company warned that its results for 1994 would mirror those of 1993, when it posted a loss of 460 million guilders (\$261 million). Fokker, which is controlled by Daimler-Benz AG, also said it would announce cost-cutting measures in the first quarter of 1995. It did not elaborate.

Shares in Fokker fell to 12.30 guilders Wednesday from 14.50 guilders. The stock has fallen 42 percent this year.

Daimler's Deutsche Aerospace AG unit is unlikely to let Fokker fall apart, analysts said. Andre Mulder, an analyst at Barclays de Zoete Wedd in Amsterdam, said he expected Deutsche Aerospace to ensure Fokker's survival, even if that meant providing more capital.

Deutsche Aerospace confirmed its commitment, but declined to say anything about potential financial help.

In July, Deutsche Aerospace, together with the Dutch government, which holds a minority stake in Fokker, agreed on a rescue package for Fokker worth about 1 billion guilders. The plan called for Deutsche Aerospace to provide 600 million guilders of fresh capital.

Deutsche Aerospace has an option to buy all of Fokker in 1997.

NYSE

Wednesday's Closing
 Tables include the national closing prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock	Div	Yld	PE	52	High	Low	Last	Chg
Alcoa	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00
Amgen	1.00	4.00	15.0	100	100.00	98.00	98.00	+2.00

Trafalgar May Buy Utility

Compiled by Our Staff From Dispatches
LONDON — The British property and hotel company Trafalgar House PLC is considering buying Northern Electric PLC, Trafalgar's financial adviser, Swiss Bank Corp., said Wednesday.

Northern Electric said it had not received any proposal from Trafalgar and it advised stockholders to take no action.

Nevertheless, its stock, which had already risen more than 15 percent in the past two weeks, closed up 100 pence a share, at 1,010 pence (\$1.58), on the London stock exchange.

Officials at Trafalgar could not be reached immediately for comment.

Such a hostile bid for the regional electric company could be countered by a higher offer from within the electricity sector, analysts said. Another electric company might be able to bid higher, they said, because it could expect significant cost savings from a merger.

At the most recent price, it would cost Trafalgar more than £1.7 billion to buy the regional electric company. Trafalgar was the most actively traded stock, closing up 1 pence, at 72 pence.

Analysts speculated that Trafalgar's largest shareholder, Hongkong Land Holdings Ltd.,

which owns a quarter of the company, might be the driving force behind the offer.

"It looks a bit of a mouthful for Trafalgar House, but they have got this rich partner behind them," said Charles Pick, diversified industrial analyst at Panmure Gordon & Co.

Trafalgar made a pretax profit of £13.4 million in the six months through March, after having posted a loss of £98.6 million in the year-earlier period.

Also on Wednesday, two other British regional electric companies reported sharply lower earnings.

Manweb PLC, which serves north Wales and northwest England, said pretax profit in the six months through September fell to £2.3 million from £54.9 million pounds in the year-earlier period. Sales were £393.5 million, down 10 percent.

London Electricity PLC reported a pretax profit of £42.8 million for the six months ending Sept. 30, down 39 percent from the year-earlier period. Sales were £536.7 million, down more than 6 percent.

Both companies said the profit declines were largely the result of write-offs related to job cuts and debt retirement.

(Bloomberg, AFP)

British Petroleum Sets Profit Target

Compiled by Our Staff From Dispatches
LONDON — British Petroleum Co. on Wednesday set confident targets for profit and for debt reduction based on a prediction that oil prices would remain steady or rise.

David Simon, the company's chief executive, predicted British Petroleum would post net profit of \$3 billion, cut debt by \$3 billion and increase capital spending by \$1 billion by 1996.

The company posted a pretax profit in 1993 of £1.3 billion (\$2.03 billion) and £614 million in profit attributable to common shareholders. Its most successful recent year was 1990, when it posted a pretax profit of £2.8 billion and attributable profit of £1.7 billion.

The company's shares rose 10 pence, to 413 pence, on Wednesday.

"We believe that there is a

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2200	3300	2200
2100	3200	2100
2000	3100	2000
1900	3000	1900
1800	2900	1800
1700	2800	1700
1600	2700	1600
1500	2600	1500
1400	2500	1400
1300	2400	1300
1200	2300	1200
1100	2200	1100
1000	2100	1000
900	2000	900
800	1900	800
700	1800	700
600	1700	600
500	1600	500
400	1500	400
300	1400	300
200	1300	200
100	1200	100
0	1100	0

Inflation Is Rising in Britain

Agence France-Press
LONDON — British inflation jumped in November, the government said Wednesday, while unemployment plunged for the 10th consecutive month.

The retail price index rose 2.6 percent in November on a 12-month basis, compared with 2.4 percent in October. Underlying inflation, which excludes mortgage interest payments, rose 2.3 percent in November from a record low of 2.0 percent in October.

The number of people unemployed in Britain fell by 43,000 in November to a total of 2,423,013, taking the rate to 8.8 percent of the working population — the lowest figure since October 1991 — down from 8.9 percent in October.

Analysts said the figures backed up the government's recent decision to raise interest rates.

Russia Starts Debt Fund

AFP-Etel News
FRANKFURT — Vnesheconbank, the bank responsible for handling Russia's foreign debt, agreed on Wednesday to set up a \$500 million fund to pay interest due for 1992 and 1993 on its debts to commercial bank creditors.

The bank said it would pay \$100 million into the fund by the end of the year and a further \$400 million by the end of March 1995.

Very briefly:

- International Telcel Inc., a unit of Metromedia Co., has entered into five joint-venture agreements to build, operate and manage wireless cable television systems in five countries that were part of the former Soviet Union.
- Landis & Gyr AG, a Swiss electronics company, said that net profit in the year ended Sept. 30 rose 15 percent, to 112 million francs (\$84 million), and that it would raise its dividend by 2 francs to 14 francs, citing expansion into new markets and cost cuts.
- Unilever PLC said it had withdrawn from a project to buy two margarine factories in Kazakhstan.
- Karstadt AG's chairman, Walter Deuss, said that Christmas retail sales had so far been "disappointing."
- The European Commission said it authorized 14.3 billion Deut-

sche marks (\$9.08 billion) in restructuring aid by the German government for the country's coal industry.

• Kaufhof Holding AG said it planned to sell an 80 percent stake in Service Bank GmbH to GE Capital Corp., a wholly owned subsidiary of General Electric Co.

• International Business Machines Corp. said it has sold a disk drive factory in Britain to managers who have renamed the business Xyratex.

• British Aerospace PLC said that shareholders had absorbed 92.32 percent of a rights issue of £178 million (\$278 million).

• France posted a current account surplus of 7.72 billion francs in September, compared with a deficit of 291 million francs in August.

• Slovakia's new government suspended a mass voucher privatization program indefinitely, citing a lack of preparation as well as technical and organizational problems. Reuters, Bloomberg, AFP, NYT

(This announcement appears as a matter of record only)



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Anguilla (landline)	80	Czech Republic	002-227-117	Japan (Osaka)	0039-131	Philippines (DTH stations only)	105-01
Antigua (pay phone)	1-800-366-4463	Denmark	800-1-0877	Japan (Nagasaki)	0066-25-888	Philippines (PhilCom)	102-611
Argentina	001-800-777-1111	Dominican Republic	1-800-751-7877	Korea	0080-12	Poland	105-16
Australia	2-16-166	Ecuador	171	Kuwait	0096-13	Portugal	00104-800-113
Australia (Optus)	900-551-10	Egypt (Cairo)	344-4777	Laos	0095-16	Romania	00371-1-877
Australia (Telstra)	1-800-381-877	Egypt (Suez)	800-777	Lebanon	0096-777	Saudi Arabia	1-800-877-8000
Austria	022-902-014	El Salvador	191	Lithuania	155-7777	Singapore	01-800-0877
Bahamas	1-800-399-2111	Finland	004-890-100-3	Malaysia	8-197	South Africa	155-6133
Bahamas (Telcel)	1-800-877-8000	France	9800-1-0284	Maldives	0096-115	Spain	8095-135-6133
Bangladesh	0100-19014	Germany	19-0027	Mexico	0050-121	Switzerland	235-0333
Belize	550	Ghana	0130-0013	Morocco	800-0016	Taiwan	1-235-0333
Belize (Telcel)	84	Greece	006-001-011	Nepal	95-800-877-8000	Tanzania	172-1877
Bolivia	1-800-423-0877	Honduras	950-1366	Netherlands	19-0067	Thailand	1800-13
Bolivia (Telcel)	000-3333	Hong Kong	191	New Zealand	001-800-745-1111	Trinidad and Tobago	800-177-177
Brazil	000-8016	Hungary	800-1877	Norway	06-022-9119	Uganda	0-800-99-0001
British Virgin Is.	1-800-877-4000	India	011	Paraguay	012-9-999-9999	Uruguay	1-800-277-7468
Bulgaria	00-300-1010	Indonesia	00-800-01-877	Peru	005-999	Venezuela	005-999-011
Burkina Faso	1-800-877-4000	Israel	000-137	Philippines (Manila)	171	Venezuela (Spanish)	155-7777
Burkina Faso (Telcel)	00-0017	Italy	001-801-15	Philippines (Cebu)	006-115	Venezuela (Portuguese)	0080-14-0877
Cameroon	900-130-110	Jamaica	1-800-65-2001	Poland	800-1927	Venezuela (Portuguese)	001-090-13-877
Canada	1-800-110	Kenya	173-1877	Romania	006-12-800		
Canada (Telcel)	99-9-800-13	Kuwait	1-800-877-8000	Russia			

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect site trades elsewhere. Via The Associated Press

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1. The first part of the document is a list of names and addresses, which appears to be a directory or a list of subscribers. The names are written in a cursive script, and the addresses are listed below them. The list is organized into columns, with names in the first column and addresses in the second column.

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一、關於我國經濟建設之重要性與緊要性之論述及其對於我國經濟建設之意義與價值之評估。
 二、關於我國經濟建設之現狀與未來之展望。
 三、關於我國經濟建設之政策與法律。
 四、關於我國經濟建設之實施方案與步驟。
 五、關於我國經濟建設之成果與問題。
 六、關於我國經濟建設之經驗與教訓。
 七、關於我國經濟建設之理論與實踐。
 八、關於我國經濟建設之科學與技術。
 九、關於我國經濟建設之文化與藝術。
 十、關於我國經濟建設之道德與倫理。
 十一、關於我國經濟建設之法律與紀律。
 十二、關於我國經濟建設之政治與行政。
 十三、關於我國經濟建設之軍事與警察。
 十四、關於我國經濟建設之外交與國際。
 十五、關於我國經濟建設之宗教與信仰。
 十六、關於我國經濟建設之民生與福利。
 十七、關於我國經濟建設之環境與保護。
 十八、關於我國經濟建設之體制與機制。
 十九、關於我國經濟建設之管理與監督。
 二十、關於我國經濟建設之考核與獎勵。
 二十一、關於我國經濟建設之總結與啟示。
 二十二、關於我國經濟建設之附錄與註釋。
 二十三、關於我國經濟建設之圖表與數據。
 二十四、關於我國經濟建設之參考文獻。
 二十五、關於我國經濟建設之其他有關內容。

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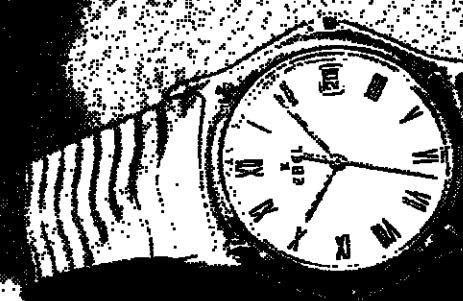
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HOLLAND: SCARFEN, OTTERDEN AMSTERDAM ROTTERDAM TURKEY: TEKATAS, ISTANBUL
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SINGAPORE: TOOFEE, JAPAN: NAKHO, SHIBUYA HEBNER, TOKYO USA: E. B. HORN, BOSTON

2 Oil Firms Merger in

EXPORT: Male

BANQUE NATIONALE

FINAL REPORT

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ASIA/PACIFIC

2 Oil Firms Plan Merger in Australia

SYDNEY — Two Australian oil companies unveiled Wednesday a \$1.55 billion plan to merge their petroleum refining and marketing operations.

The American-controlled Caltex Australia Ltd. and the Australian construction company Pioneer International Ltd. said the merger would give the combined group about 28 percent of the Australian retail oil market.

They said the new petroleum group, which will be owned equally by Pioneer and Caltex, would have an equal market share with the current market leader, Shell Australia Ltd.

The merger proposal follows four years of market speculation and is subject to shareholder and government approval, as well as approval by the anti-monopoly Trade Practices Commission.

If the merger is successful, competition in the business would be reduced to four major players. Industry estimates of the market shares of the other two key companies are BP Australia Ltd. at 20.7 percent and Mobil Oil of Australia Ltd. at 20.3 percent.

The new group is to be headed by Ampol's chief executive officer, Ian Blackburne.

The two companies have complementary assets with a strong presence on the east coast of Australia.

Caltex owns the Kurnell refinery in Sydney and Ampol the Lytton refinery in Brisbane.

"One of the major reasons for the merger is the vulnerability of both Caltex and Ampol to the intense competition in this industry," said Barry Murphy, the Caltex chairman and chief executive. "This is an industry which rewards scale and requires large capital investments not only to expand but to keep up with the technology which continues to improve."

Interest Rates Up Again

The Reserve Bank of Australia raised interest rates for a third time in less than four months on Wednesday in a bid to cool Australia's fast-growing economy and ward off inflation. Reuters reported from Sydney, the central bank increased the rate it charges commercial banks for overnight loans to 7.5 percent from 6.5 percent.

Armed with recent data showing the economy expanding at the fastest rate in the industrialized world, the Reserve Bank governor, Bernie Fraser, said rates needed to rise to sustain growth, keep inflation low and further reduce unemployment.

"As with the previous two increases," he said, "today's rise is intended to help sustain solid economic expansion with low inflation well into the future."

Sony's Surprise Revival Stock Shrugs Off Hollywood Troubles

By Andrew Pollack
New York Times Service

TOKYO — It was no surprise when the stock of the Sony Corp. plummeted after the company suddenly announced on Nov. 17 that it would suffer a stunning \$3.2 billion loss because of problems at its Hollywood studios. What is surprising is how rapidly the stock has recovered.

Sony stock, which closed at 5,790 yen (\$58) on the Tokyo Stock Exchange the day before the announcement of the loss, fell to 5,480 yen the following day, and more steeply to 5,000 yen on Nov. 24, a total loss of more than 15 percent. But since then, Sony shares have climbed, closing Wednesday at 5,360 yen.

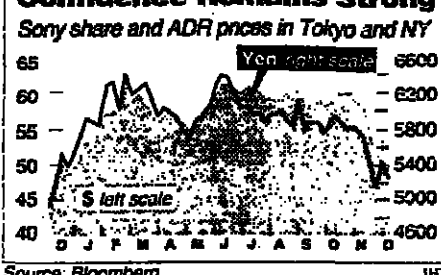
Sony's American depository receipts, traded on the New York Stock Exchange, moved in tandem, falling from \$58.50 the day before the announcement to as low as \$50.375 on Nov. 23, before recovering to \$53.375 by mid-afternoon Wednesday.

In part, Sony's recovery reflects currency fluctuations as the dollar strengthened against the yen early this month, rising to more than 100 yen for the first time in two months. Dependent on exports and on sales outside Japan, Sony's sales and earnings fall when the dollar weakens and rise sharply as it strengthens.

But the stock's rise also reflects a sentiment among some analysts and investors that Sony's huge Hollywood write-off represents the start of a long-term improvement in Sony Pictures Entertainment Inc.

"Sony is now sending a message to the world that they are cleaning their dirty laundry," said Eric Gan, an analyst with Goldman, Sachs & Co. in Tokyo. "They are telling

Confidence Remains Strong



Source: Bloomberg

shareholders that they are no longer hiding the problem."

But other analysts are wary, saying it is illogical to expect the stock to recover so quickly.

"If the price is coming back to 5,790 that means nothing happened to the company," said Takatoshi Yamamoto, an analyst with Morgan Stanley & Co. in Tokyo. "I don't think so."

Mr. Gan removed his buy recommendation from Sony stock the day of the big announcement but restored it a few days later.

Other skeptics say the writeoff has not changed anything. Sony Pictures still has an abysmal movie lineup, and many analysts say more management changes are in store.

But Sony's main business, consumer electronics hardware, has been recovering as Japan pulls out of its recession, Mr. Gan said. While the write-off for the movie business, Sony's consolidated sales would have been up 5 percent and its operating profits up 35 percent in the six months ended in September, he added.

Asian Firms Supporting Intel's Chip

Bloomberg Business News

TOKYO — Top computer makers in Asia said Wednesday that Intel Corp.'s Pentium processor would not stop them from using the microchip in their machines.

Fujitsu Ltd., Japan's largest computer maker; NEC Corp., the country's top personal computer manufacturer; Acer Inc., the top Taiwan manufacturer; and Singapore's biggest maker, IPC Corp., said they had no plans to halt shipments of products that run on Pentium chips.

The Pentium contains a fault that leads to errors when computers perform certain complex mathematical functions. Intel, the world's largest supplier of chips, said it had fixed the problem and offered free replacements of defective Pentiums.

International Business Machines Corp., the world's biggest computer maker and Intel's biggest Pentium customer, is the only computer maker so far to have halted shipments because of the flaw.

Fujitsu said it would offer free replacements to users of the Pentium-equipped computer models it sells.


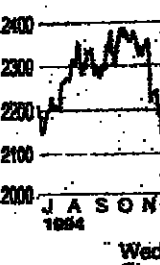
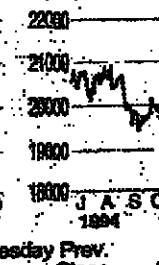
NEC, which has a 52 percent share of the \$6.8 billion Japanese personal-computer market, will begin replacing Pentiums free of charge from January if requested by users. The company has sold about 50,000 Pentium PCs so far.

In Singapore, IPC said it had not encountered any flaws of the kind that prompted IBM to halt shipments of its computers.

Taiwan's Acer said few of its customers had reported problems with Pentium machines.

"We only know of three," a spokesman said. All three were local customers in Taiwan.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
J A S O N D 1994		J A S O N D 1994		J A S O N D 1994	
Exchange	Index	Wednesday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	7,997.35	7,848.75	+1.88	
Singapore	Straits Times	2,114.00	2,089.14	+1.18	
Sydney	All Ordinaries	1,863.80	1,852.70	+0.60	
Tokyo	Nikkei 225	18,981.49	18,875.48	+0.56	
Kuala Lumpur	Composite	937.16	900.41	+4.08	
Bangkok	SET	1,280.07	1,305.58	-1.95	
Seoul	Composite Stock	1,026.61	1,025.89	+0.07	
Taipei	Weighted Price	6,581.90	6,597.57	-0.23	
Manila	PSE	2,517.90	2,520.59	-0.10	
Jakarta	Stock Index	483.37	447.04	+1.42	
New Zealand	NZSE-40	1,895.86	1,902.32	-0.35	
Bombay	National Index	1,811.29	1,818.88	+0.68	

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• The Hyundai group of companies has begun construction of a large industrial complex at Yulchon on South Korea's southwest coast. The conglomerate will invest a total of \$5 billion dollars over the next eight years in its second such complex.

• Sunkyoung Industries Ltd. plans to invest \$9.1 billion in China over the next 10 years in a project including the construction of an oil refinery and petrochemicals facilities.

• Snamprogetti SpA, an Italian fertilizer company, signed a \$100 million deal with the China National Technical Import and Export Corp. to build a fertilizer plant in Jiangsu province.

• The Darjeeling Planters Association said Indian tea producers would create a Darjeeling label to head off makers of inferior quality brands who have pirated the name.

• Philtrid Tire & Rubber Co. shares rose by more than 30 percent after the Philippine company said it would be bought by Siam Tyre Co. of Thailand in a deal that values Philtrid at 1.7 billion pesos (\$71 million).

• Levi Strauss & Co. has opened a wholly owned subsidiary in India to manufacture jeans and other clothing for the Indian market; the company will be called Levi Strauss (India) Pvt. AFX, AP, Bloomberg, Reuters

EXPORT: Malaysia Plans Push

Continued from Page 9

and 30 percent owned by Auto-corp of the Philippines.

The assembly plant, expected to cost 800 million pesos (\$33 million), will be located in Pangasinan, Mr. Ramos' home province, 200 kilometers (124 miles) north of Manila. Production is expected to start at a rate of about 4,000 cars a year.

Mr. Ramos said that Proton Philippines had promised to export 10 percent of the cars it assembles in its first year of operation to new markets in Latin America, Papua New Guinea and Indonesia. He said that the export share would rise to 50 percent in the fifth year.

Perusahaan Otomobil has formed a joint venture in Vietnam with Mitsubishi and a

Vietnamese company to assemble commercial vehicles. Mr. Norzaid said that the Malaysian company hoped that this would lead to local assembly of Protons.

In May, the company signed an agreement with an Indonesian company controlled by Siti Hardiyanti Rukmana, the eldest daughter of President Suharto, for the initial export of 2,500 Protons to Indonesia. Malaysian officials said that the aim was to assemble the car in Indonesia within five years.

Like many other international carmakers, Perusahaan Otomobil also is looking at China, the world's biggest untapped auto market. Beijing's ban on new foreign entrants into its motor vehicle industry expires at the end of 1995.

Living in China: No Bowl of Litchis

Bloomberg Business News

HONG KONG — Expatriate life in China is expensive and rigorous, foreigners working there say.

A survey of 84 multinational companies in China by the accounting firm Price Waterhouse & Co. found that the cost of employing expatriates should remain high for the foreseeable future because of its image as a hardship posting.

"There is still a gulf of misun-

derstanding about what life is really like for expatriates living in China," said Mary Wicks, director of the Price Waterhouse Human Resources Consultancy.

Housing, schooling for children and medical services are revealed as both the major expenses and the primary causes of complaints.

On average, a general manager of a U.S. or Canadian joint venture or wholly owned sub-

siary receives a total compensation package 3.5 times the executive's annual base salary, the survey found.

They also agreed that the key qualities needed by an expatriate posted to China were flexibility and cultural sensitivity.

TENDER NOTICE

ARGENTINE PUBLIC SECTOR REFORM TECHNICAL ASSISTANCE PROGRAM

CALL FOR PRE-CLASSIFICATION OF FIRMS
ACQUISITION OF EQUIPMENT AND CONTRACT FOR SERVICES FOR A SECONDARY COMMUNICATIONS NETWORK IN THE CUSTOMS NATIONAL ADMINISTRATION

The Argentine Government, through the Public Sector Reform Technical Assistance Program, invites the firms that fulfill the requirements hereunder mentioned to submit background and to manifest their intention to participate in the bid for the installation of a Secondary Communications Network in the Customs National Administration, which will take place by the end of the current year.

The bid will be carried out through the United Nations Development Program (UNDP/OPS), New York, NY, Project ARG/91/02 within the financing scope granted by the BIRF (Reconstruction and Development International Bank), through Loan 3362 AR.

Purpose of the bid:

- Supply and installation of 43 satellite ground stations for a network distributed throughout the country with VSAT technology
- Administration of the network
- Maintenance services

Requirements of the offerers:

- The supplier of the technology shall have official representation in the country.
- Capacity of maintenance of national coverage
- Prior experience in the integration of networks of VSAT technology.
- The performance of the services to be called for bid shall require that the offerers have a hub station installed in Argentina.
- Prior performance of the works of similar importance.

The interested firms which comply with the requirements above mentioned shall have a period of ten working days as from the date of this publication in order to submit their background to:

Dr. José Páez - Coordinator General

Hipódromo Yrigoyen 250, 6º Piso, Ofic. 624 (1210) Buenos Aires - Argentina
Tel. 541 349-6873/74 (to consult about any information related to this process)



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Italy	Lira 470,000	50	275,000	
Luxembourg	L. Fr. 14,000	36	7,700	
Netherlands	Fl. 770	40	420	
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Spain	Ptas. 48,000	34	26,500	
- hand deliv. Madrid	Ptas. 55,000	24	27,500	
Sweden (airmail)	S.Kr. 3,100	34	1,700	
- hand delivery	S.Kr. 3,500	26	1,900	
Switzerland	S.Fr. 610	44	335	
Rest of Europe ex C.E.	\$	485	265	
CEI, N. Africa, former French African, Middle East	\$	630	345	
Gulf States, Asia, Central and South America	\$	780	430	
Rest of Africa	\$	900	495	

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INTERNATIONAL Herald Tribune

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NASDAQ

Wednesday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High Low Stock Div Yld PE 52 High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE	52 High	Low	Latest	Chg
170	165	AA	1.20	4.8	13.3	170	165	167	2
165	160	AB	1.10	4.6	13.5	165	160	162	2
160	155	AC	1.00	4.4	13.6	160	155	157	2
155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

12 Month High	Low	Stock	Div	Yld	PE	52 High	Low	Latest	Chg
120	115	AK	0.20	2.8	15.2	120	115	117	2
115	110	AL	0.10	2.6	15.4	115	110	112	2
110	105	AM	0.00	2.4	15.6	110	105	107	2
105	100	AN	0.00	2.2	15.8	105	100	102	2
100	95	AO	0.00	2.0	16.0	100	95	97	2
95	90	AP	0.00	1.8	16.2	95	90	92	2
90	85	AQ	0.00	1.6	16.4	90	85	87	2
85	80	AR	0.00	1.4	16.6	85	80	82	2
80	75	AS	0.00	1.2	16.8	80	75	77	2

AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect state trading elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 52 High Low Latest Chg

12 Month High	Low	Stock	Div	Yld	PE	52 High	Low	Latest	Chg
170	165	AA	1.20	4.8	13.3	170	165	167	2
165	160	AB	1.10	4.6	13.5	165	160	162	2
160	155	AC	1.00	4.4	13.6	160	155	157	2
155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

12 Month High	Low	Stock	Div	Yld	PE	52 High	Low	Latest	Chg
120	115	AK	0.20	2.8	15.2	120	115	117	2
115	110	AL	0.10	2.6	15.4	115	110	112	2
110	105	AM	0.00	2.4	15.6	110	105	107	2
105	100	AN	0.00	2.2	15.8	105	100	102	2
100	95	AO	0.00	2.0	16.0	100	95	97	2
95	90	AP	0.00	1.8	16.2	95	90	92	2
90	85	AQ	0.00	1.6	16.4	90	85	87	2
85	80	AR	0.00	1.4	16.6	85	80	82	2
80	75	AS	0.00	1.2	16.8	80	75	77	2

12 Month High	Low	Stock	Div	Yld	PE	52 High	Low	Latest	Chg
170	165	AA	1.20	4.8	13.3	170	165	167	2
165	160	AB	1.10	4.6	13.5	165	160	162	2
160	155	AC	1.00	4.4	13.6	160	155	157	2
155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

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115	110	AL	0.10	2.6	15.4	115	110	112	2
110	105	AM	0.00	2.4	15.6	110	105	107	2
105	100	AN	0.00	2.2	15.8	105	100	102	2
100	95	AO	0.00	2.0	16.0	100	95	97	2
95	90	AP	0.00	1.8	16.2	95	90	92	2
90	85	AQ	0.00	1.6	16.4	90	85	87	2
85	80	AR	0.00	1.4	16.6	85	80	82	2
80	75	AS	0.00	1.2	16.8	80	75	77	2

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155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

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150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

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110	105	AM	0.00	2.4	15.6	110	105	107	2
105	100	AN	0.00	2.2	15.8	105	100	102	2
100	95	AO	0.00	2.0	16.0	100	95	97	2
95	90	AP	0.00	1.8	16.2	95	90	92	2
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85	80	AR	0.00	1.4	16.6	85	80	82	2
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155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

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110	105	AM	0.00	2.4	15.6	110	105	107	2
105	100	AN	0.00	2.2	15.8	105	100	102	2
100	95	AO	0.00	2.0	16.0	100	95	97	2
95	90	AP	0.00	1.8	16.2	95	90	92	2
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155	150	AD	0.90	4.2	13.8	155	150	152	2
150	145	AE	0.80	4.0	14.0	150	145	147	2
145	140	AF	0.70	3.8	14.2	145	140	142	2
140	135	AG	0.60	3.6	14.4	140	135	137	2
135	130	AH	0.50	3.4	14.6	135	130	132	2
130	125	AI	0.40	3.2	14.8	130	125	127	2
125	120	AJ	0.30	3.0	15.0	125	120	122	2

N-O-P									
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
25	24	NACRE	16	4.3	254	254	254	254	254
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SPONSORED SECTION

SPONSORED SECTION

THE NEW STATES

INDUSTRY FUELS EUROPE'S FASTEST-GROWING ECONOMY

Germany's new states are scoring major gains.

This year, gross-domestic-product growth in the new states is expected to be 9 percent to 9.5 percent, a good five percentage points better than anywhere else in Europe and head-to-head with Singapore and China for the world lead. The GDP figure is being outpaced by the surge in industrial production — up 10.1 percent as of July, with previous months showing increases ranging up to 25 percent. A key early indicator — total orders received by the new states' manufacturers — is up 25.5 percent, according to the latest report.

These figures are finally making a serious dent in the area's chronic unemployment problem. The new states' rate now stands at 13 percent, down 15.4 percent from last year, with further and substantial drops forecast for the months to come.

For economists and marketing managers at large multinational corporations, other equally impressive indicators are of greater importance. The region's productivity is approaching Western Germany's levels, which are among the world's best. This improvement in productivity results from the world-best amounts of capital investment going to each manufacturing workplace; in 1994, the figure was 61 percent above the West German level. The improvement has also ensued from a new and more realistic weighting of the industrial sectors accounting for the productivity figure.

In comparably equipped factories, "there is virtually no difference in productivity or unit labor costs between Eastern and Western Germany," reports Cologne's authoritative IWD (Informationsdienst des Instituts der Deutschen Wirtschaft) business-reporting service.

Large consumer market

This growth in productivity has gone hand-in-hand with a rise in disposable income per capita, now at more than two-thirds of Western Germany's decidedly non-Third World levels. The average personal-wealth figure has also reached a new high, making the new states a large and powerful market for consumer goods.

While these figures are encouraging, they are subject to certain criticisms and qualifications. The prime one is that the transformation of Germany's new states is still being funded through major transfers of capital from the western states. Over the past five years, Western Germany's public sector has dispatched 500 billion Deutsche marks (\$318.6 billion) to the new states. In 1994, the net transfer (after deducting tax receipts and other sources of revenue) amounted to 110 billion Deutsche marks.

It should be taken into consideration, however, that the vast bulk of these funds has been going to "extraordinary allocations" to pay for the revamping of the region's seriously neglected capital stock — its buildings, factories, environment, power plants, roads, telephone lines, bridges, hospitals and the like.

This capital investment amounted to 177 billion Deutsche marks in 1994, setting a new record for the fifth successive year and bringing the cumulative total to 580 billion Deutsche marks. Accounting for a large portion of this investment has been the private sector — both Germany's and the rest of the world's. Total private-sector investment has been 427.2 billion Deutsche marks.

This figure becomes even more impressive when one takes into account the world recession and the uncertainty associated with entering into a new market.

The "poor relatives among Germany's states" argument was recently laid to rest by a study from Halle's authoritative Institut für Wirtschaftsforschung economic research institute. In 1995, the study concludes, the new states' output of goods and services will equal the amount consumed.

Another criticism is that the investment capital flowing into the new states over the past five years has not been optimally allocated and that some of it went toward luxury apartment complexes and shopping malls.

There is some truth to this, but it is by no means applicable only to the new states. As in the United States, Britain and elsewhere, the new states now have a free market economy, in which the market proposes and disposes.

"Market forces tend to err and exaggerate in the short run," says Günter Rexrodt, Germany's federal minister of economic affairs. "In the long run, they do a very good job." To date, both the real-estate and retailing markets have held up very well, avoiding the large-scale collapses common to other parts of Western Europe.

Can they compete?

There is no compelling response to the third criticism: The new states have yet to establish their ability to compete on international markets. There are, however, signs of hope. Exports are set to record a 16.5 percent increase in 1994 and a strong 18 percent rise in 1995, with industrial goods currently the hottest seller.

"It is a wrongheaded criticism," says Mr. Rexrodt. "The new states were first confronted with a near-total collapse of their main export markets in the East, and then with the need to completely restructure their lines of products and distribution networks. That takes time and money. As the latest figures show, these efforts are now beginning to pay off."

The final quibble is unjust, pervasive and hard to combat. Confronted with the new states' encouraging economic figures, some critics say, "So what?" In other words, nothing less could be expected of Germany, one of the world's most successful economies.

"To anybody who has personally experienced the last five years of reconstruction in the new states, as I have, that is a very distressing reaction," says Mr. Rexrodt. "These years have brought more than their share of disappointments. This criticism is especially unfair to the residents of the new states. The latest figures are the sum total of all the courage and optimism they have invested in new businesses, new occupations, new training programs."

Finally and fundamentally, Mr. Rexrodt says, "this attitude rests on a completely false premise. The process of reconstruction is by no means over. The bulk of our work still lies ahead. Our job is now to capitalize on our strong initial gains, to parlay them into a basis for sustained growth."

The gross domestic product of Germany's new states is set to grow by 9 percent to 9.5 percent this year, making the regional economy one of the most dynamic in the world. In addition, industrial production, foreign investment and tourism are posting substantial gains.



Brandenburg

Area: 29,477 square kilometers.

Population: 2,537,000.

Capital: Potsdam (pop. 139,000).

Brandenburg's eastern third has become one of Europe's major manufacturing centers for paper made from recycled products, pharmaceuticals, special-purpose machines, microprocessors and chemicals. The Greater Berlin ring is a chain of flourishing technology and business centers, large-scale and strikingly modern residential complexes and lovingly restored villages. It is also home to newly commissioned industrial facilities.

Cottbus and Brandenburg are centers of construction and engineering services; Brandenburg, Eisenhüttenstadt, Doberlug-Kirchhain and Lauchhammer are hubs for the production of building supplies and machines. Oranienburg, Cottbus, Stahnsdorf, Neuruppin and Treuenbrietzen feature major agglomerations of electrical and communication-engineering companies. After suffering a two-year slump, investment in the state has picked up strongly in 1994. Potsdam, Brandenburg, Rheinsberg and the state's other historic communities have been resplendently restored, triggering a boom in tourism.



Berlin

Area: 889 square kilometers (343 square miles).

Population: 3,475,000.

A checklist is required to keep track of the city's large-scale real-estate-development projects, which include the Potsdamer Platz and Friedrichstadt passages. Also adding up are the number of companies that are moving their headquarters to Berlin; their ranks now include IBM Deutschland, Siemens, public development bank Kreditanstalt für Wiederaufbau and Italian pharmaceutical giant Menarini.

Plans for the two "big events" — the partial relocating of Germany's federal government to Berlin, and the merger of Berlin and Brandenburg into one state — have made demonstrable progress over the past 12 months. Fueled by increases in the output of electronics, industrial systems and chemicals, the manufacturing sector has been expanding. Also expanding is the number of advanced companies located in such large-scale technology-development centers as Adlershof.



Mecklenburg-Western Pomerania

Area: 23,421 square kilometers.

Population: 1,843,000.

Capital: Schwerin (pop. 124,000).

In the midst of major capital improvement programs, Rostock-Warnemünde, Wismar and Stralsund (the state's major ports) are profiting from the increasing volume of intra-Baltic trade and from the industrial recovery of the new states.

Now privatized, the state's three main shipyards are receiving well over 5 billion Deutsche marks (\$3.19 million) in investment from their new owners and the public sector; the shipyards are also registering a substantial growth in tonnage built. In 1994, the state made major progress in combating its chronic problems of unemployment and industrial imbalance, as well as toward becoming one of Europe's leading tourist regions. In the tourism sector, some 14 mega-projects are now under construction.

The state's medical technologies, image- and food-processing sectors continued to score major gains.



Saxony

Area: 18,408,000 square kilometers.

Population: 4,607,000.

Capital: Dresden (482,000).

Saxony now consists of a web of thriving industrial areas interspersed with large-scale commercial centers, with pockets of underdevelopment still persisting. The Plauen-Zwickau-Chemnitz manufacturing belt produces everything from automobiles to advanced industrial and printing systems. Chemnitz is home to one of the new states' four-largest agglomerations of technical service companies.

A major building boom has transformed whole sections of Leipzig. The city's specialties include printing, engineering, construction, trading and financial services. The fastest-growing manufacturing sector is environmental technologies. Dresden's manufacturing base now features microelectronics, pharmaceuticals and industrial systems.

Dresden, Meissen, Görlitz, Bautzen are major producers of traditional consumer goods, and their wonderful cityscapes explain why Saxony is Germany's fifth leading tourist area.



Saxony-Anhalt

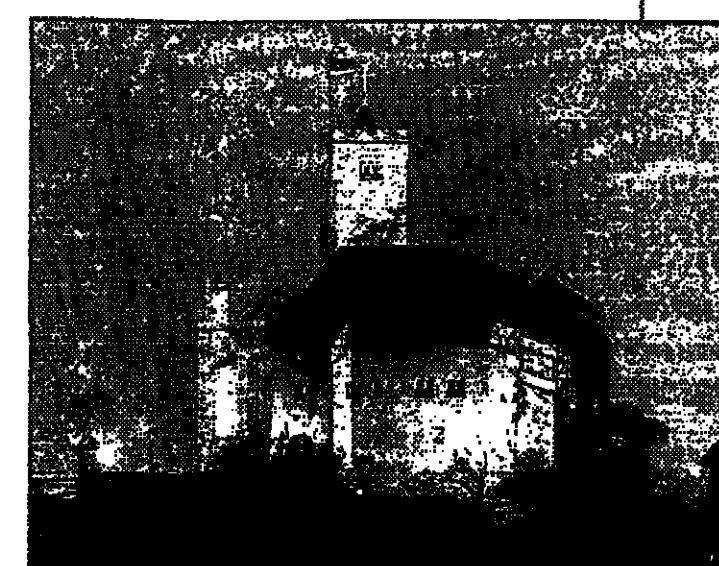
Area: 20,443,000 square kilometers.

Population: 2,778,000.

Capital: Magdeburg (pop. 273,000).

For Saxony-Anhalt, 1994 was the year of blockbuster foreign investments. Dow Chemical has allocated 2.9 billion DM to modernizing its major chemical facilities. An Elf Aquitaine-led consortium's 4.5-billion-DM construction and privatization deal was finalized.

The state is cleaning up residual contaminants and restructuring its business base. Environmental services, freight-forwarding and light manufacturing companies are making the Halle-Leipzig region one of Europe's fastest growing business areas. Halle and Dessau are centers of industrial design. In the Bitterfeld-Wolfen area, 2 billion DM in investment has created a new business base. Magdeburg's inland harbor recorded a turnaround in throughput. The brightest newcomer on the scene is the communication and computing services industry in Magdeburg, Quedlinburg and other communities.



THE NEW NORTH PROSPERS IN AN ENLARGED EUROPE

The northern states link up with European neighbors.

Rostock, Wismar and Stralsund fervently celebrated the outcomes of the recent votes in Finland and Sweden. In the midst of their rejoicing, the business communities in Mecklenburg-Western Pomerania's coastal towns also found time to peruse business journals published in Riga, Gdynia and St. Petersburg. Their favorite reading concerned the growing turnover of those cities' ports.

With each step the Baltic takes toward becoming an economic reality, instead of merely a geographic term, northern Mecklenburg-Western Pomerania's future vocation comes into clearer focus. Steps taken in the past four years have already shown impressive results. In a major rebound in 1993, the Port of Rostock, the largest in the new states, registered a 15 percent growth in transloaded throughput, with a similar jump expected for 1994. Much of that increase is due to the new ferry and freight links instituted between the port, located in Rostock's northern suburb of Warnemünde, and Sweden, Finland, Russia, Poland and the Baltic countries over the past year.

A story of new links

To accommodate the new passenger- and container-bearing craft, the Port of Rostock has launched a major program of capital improvement. This includes the building of new ferry docks and transloading facilities for truck-borne containers and the deepening of the port's waterway to the Baltic; the latter alone will cost 700 million Deutsche marks (\$446 million). At the Port of Wismar, some 60 kilometers (37 miles) to the west, the same story of new connections and capacities is unfolding.

In a nice twist, many of the increasing number of ferries and freighters plying the waters of the Baltic were built in Mecklenburg-Western Pomerania. According to the latest reports, the Kvaerner Warnow Werft GmbH is constructing eight such craft. Owned by Norway's Kvaerner Group, the shipyard is one of the state's five major yards, all now privatized. The new owners are investing a total of 3.5 billion Deutsche marks in upgrading existing facilities and building new ones; the public sector is providing a comparable amount for infrastructure improvement, social compensation plans and debt riddance.

This large-scale investment is expected to yield a large-scale payoff. Spurred by the commissioning of Kvaerner Warnow's ultramodern shipyard (scheduled for the end of 1995), the state is set to experience a 159 percent growth in annual tonnage built over the next two years, according to Berndt Seite, Mecklenburg-Western Pomerania's prime minister. He predicts that the state will soon account for one-third of Germany's total shipbuilding output.

The surge in shipping has also boosted the state's smaller shipyards, whose ranks include Rechlin, a major producer of lifeboats in Neustrelitz. The region's newly affluent shippers and shipowners patronize the yacht and sailboat builders clustered in and around Warnemünde. These pleasure craft are docked at the spanking new harborside developments dotting Mecklenburg-Western Pomerania's 350 kilometers of North Sea coast and inlets.

Exports are climbing

The cumulative effect of all these new links, political and economic ties and newly redeveloped infrastructure is that exports now account for 22 percent of Mecklenburg-Western Pomerania's total gross domestic product, with more than half of exports going to Western industrial countries.

While the Mecklenburgians and the Pomeranians brush up on their Swedish and Finnish or Estonian and Latvian, their counterparts in Brandenburg and Saxony are busy following the communiques from European Union summits and the Commission's deliberations in Brussels. They want to know how quickly Poland, the Czech Republic, Slovakia and Hungary are proceeding toward full membership in the EU, an endeavor that Germany has been trying to expedite. The existing, extensive association agreements between the EU and

Continued on page 17

ENJOY THE PRESENT, PURSUE THE PAST

A guide to historical sites in Germany's new states.

There is little to distinguish the Wrecker Hof from any of the other settlements dotting Mecklenburg-Western Pomerania's island of Rügen. Wrecker's seven cottages feature the deep-hanging thatched roofs found throughout the region; the cottages are scattered in groves of chestnut trees and ponds — two of the island's natural leit-motifs.

This "romance of the Baltic" is precisely what visitors coming to Rügen expect to experience, along with its marvelous Rossini Opera Festival and the sight of its chalk cliffs. Wrecker Hof is careful not to disappoint them. Inside the cottages, luxury prevails, along with all the standard electronic amenities.

Over the past two centuries, the western Thuringian town of

Gotha has become a generic term for tomes detailing royal and aristocratic lineage. These works started issuing from the duchy of Saxony-Gotha (later Saxony-Coburg-Gotha) in 1765. Perhaps the most gracious of the duchy's many royal seats is the Schlosshotel Reinhardsbrunn, located 14 kilometers (about 9 miles) to the southwest of the city of Gotha. Not surprisingly, the palace was built in the "English style." The duchy had, after all, close connections to Great Britain. One of its local boys — Prince Albert — made good in London, marrying his way to the top of an empire.

Time off from turbulence The past 100 years in Germany have been turbulent, to put it mildly. Quite a few of the people and groups responsible for this turbulence relaxed in what is now the Hotel Diana. The hotel is located on the German part of

Continued on page 18

SPONSORED SECTION

GERMANY: THE NEW STATES

CONVERSION:
SHORT AND SIMPLE
OR VERY UNUSUAL

A survey of the conversion of former military sites.

The 4,541 sites in Germany's new states have only one thing in common. Until recently, they were the property of the Soviet Army's Western Group or of East Germany's National Volkarmee (NVA). Everything else about the sites, which cover a total of 5,600 square kilometers (2,200 square miles), shows a great diversity of characteristics and methods applied.

For many sites, the conversion process was a relatively short and simple matter of subtraction — the removal of the odd military equipment and waste left behind by the departing troops. The net product has been such new nature preserves as the Döberitzer Heide, whose 6,000 hectares (14,800 acres) of woodlands, once a staging ground for Soviet army maneuvers, recently became one of Greater Berlin's major parks.

For several other sites, the process is proving to be a complex, protracted exercise in both addition and multiplication. One example is Wünsdorf, located south of Berlin. It was the last major site to be vacated by the

up. The Bucks' answer was to go east — northeast, to be exact — to the Brandenburg town of Pinnow. The Bucks acquired a facility that had produced anti-tank rockets for the Warsaw Pact, and they converted it into a center for rocket-fuel and munitions recycling. The final product of these operations — fertilizer — is now greening many of the fields around Pinnow.

Had the Bucks left matters there, they would already be the "masters of conversion," as a business journal in the new states recently described them. But the Bucks carried things one step further. They reinvested the proceeds from the recycling into further equipping their new facility.

Today, the Bucks' newest product — prefabricated housing — is facilitating another and much larger conversion process. Many of the Russian soldiers returning from Eastern Germany are now housed in Buck-built dwellings, which are themselves recycled, converted products. The latest word from the Bucks is that they have entered into the environmental technologies business in a big way.

Converting Berlin

The other site attracting attention is Berlin, the nation's capital, which is set to experience a unique conversion into the seat of Germany's federal government. The government's relocation will take five years and involve a net transfer of 11,700 persons, requiring 376,000 square meters of working space as well as housing, transport and telecommunication infrastructure. Through the use of existing facilities and the promotion of job swaps between Berlin- and Bonn-based officials, the cost of all this will be kept down to about 25 billion Deutsche marks (\$16 billion), according to studies recently released by Prognos and Bankgesellschaft Berlin AG.

One cost-cutting measure is the fact that much of the property required has been acquired free of charge by the federal government. According to Jürgen Echter-nach, secretary of state at the country's federal ministry of finance, the federal government received 586 sites covering some 1,500 hectares from the departing Allies and the discontinued NVA.

The latest studies say that this special example of conversion may well pay for itself. Official sources have pegged a multiplier of nine to the move, meaning that every mark spent on relocating the capital will generate nine marks in local gross-domestic-product growth. In the job-creations area, the figure is even higher.

The multiplication has already begun. Construction was recently started on the rebuilding of Potsdamer Platz, the new downtown Berlin corporate home of Sony, Daimler-Benz and Asea Brown Boveri, whose decisions to build in the city resulted from the relocating of the federal government. The construction of the site's office buildings, hotels and apartment complexes will be completed in 2002.



Berlin's conversion will pay its own way.

Russians, who left on Aug. 31. It is also reportedly the largest conversion site in the new states, in terms of structures and infrastructure present on it. Wünsdorf's 6,600 hectares contain 1,000 buildings, clustered in five separate settlements, with enough space for 2,000 families and a work force of 5,000.

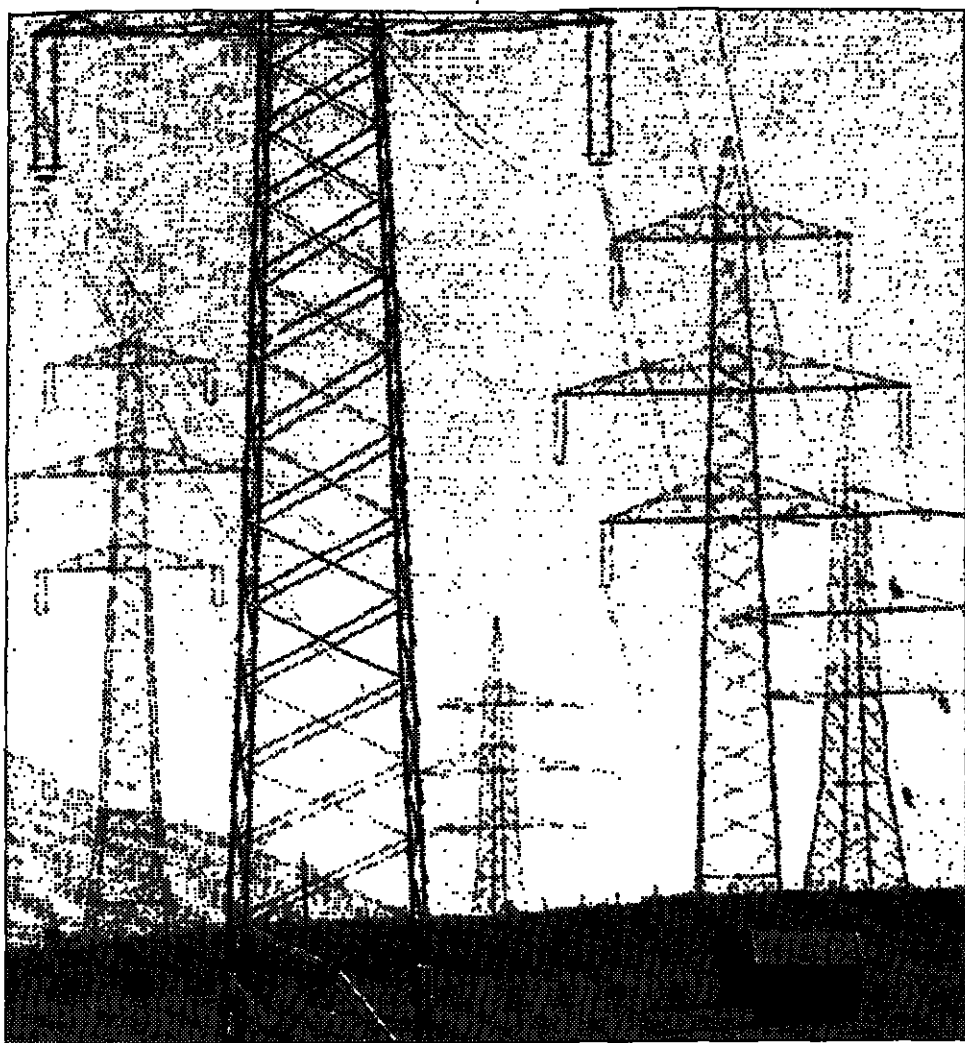
Poles of development

Currently being added to Wünsdorf are state-of-the-art telecommunication systems, transport infrastructure and startup capital. According to the state of Brandenburg, which is coordinating the work of a public- and private-sector task force, this investment will go to create "poles of development" in Wünsdorf, around which further investment will propagate. The time frame of this project is dominated in decades, the cost in billions.

Many of the region's conversion projects have already been completed, largely unnoticed by either the outside world or even by the users of the newly converted sites. There is a reason for this oversight. Some 22 percent of all conversion sites in the new states are in or near such major and attractive cities as Potsdam and Dresden. These sites are often residential properties, ranging from entire residential complexes to Jugendstil villas. Although these properties often require above-average amounts of renovation work, the prices charged for them are generally much below market standards, causing these dwellings to be quick sellers on local markets.

Two sites in the new states have been drawing the concentrated scrutiny of international conversion experts. One is a rural town; the other is Central Europe's largest city.

In the early 1990s, Bavaria's Buck brothers were facing a fate common to producers of defense industry goods: orders for their products (in the Bucks' case, fog grenades and infrared targets) were drying



Thanks in part to increased efficiency in power use, electricity consumption and pollution levels have dropped dramatically.

EAST IS BREATHING EASIER,
BUT IT HASN'T COME CHEAP

The 31 percent drop in electricity use was good news, at least for the environment.

From 1991 to 1993, the consumption of electricity in Germany's new states slumped dramatically. This decline was caused partially by a drop in industrial production, but mostly by a drastic improvement in the efficiency of power use, a category in which East Germany had regularly placed last among the world's nations. As the country used high-polluting lignite to fuel its power plants, East Germany was also a prime source of Europe's excess levels of carbon dioxide, sulfur and other pollutants.

Drop in pollution

Since unification in 1990, the Federal Republic of Germany's total output of carbon dioxide has been reduced by 15.7 percent, reports Angela Merkel, the country's new minister of the environment. Nearly all of this improvement has stemmed from the new states — specifically, from the introduction of clean-fir-

ing technologies in existing power plants and the building of new advanced ones in the East.

The region's 42 percent decline in total carbon-dioxide emissions has been achieved despite a vast increase in use of automobiles, airplanes and other sources. Other pollutants show similar declines. The quantity of sulfur dioxide emitted from the region's power plants is down 30 percent, and dust by an amazing 85 percent.

\$6 billion in facilities

This improvement has not come cheaply, reports the association of German electricity generators, VDEW (Vereinigung Deutscher Elektrizitätswerke). The region's 95 power-generation companies invested 9.4 billion Deutsche marks (\$6 billion) in their facilities over the past three years, half of it in 1993 alone. That substantial figure pales in comparison with what is currently being spent. Some 30 billion

DM have been allocated for the period between 1994 and 1998.

The source of 1994's modest increase in electricity consumption is the region's nearly double-digit growth in economic output. More power use does not necessarily mean sharply higher power bills for the new states' manufacturers and distributors.

The new power plants' operating efficiency is responsible for the relatively cheap electricity they generate.

On the average, prices per watt are lower than those of Western Germany, which have been showing a relative decline over the past few years.

For local authorities, the most gratifying aspect of the new plants is the nature of one of their main fuels: locally mined lignite, now "clean-fired" and "scrubbed" into an environmentally friendly energy source.

WANTED IMMEDIATELY: NEW SOURCES OF VENTURE CAPITAL

Numerous new companies have scored initial market successes with their products, and they are voracious for new capital.

The Hotzenblitz sounds like a perfect candidate for venture capital. It is an untested product — an electricity-powered automobile — of great potential. It has successfully survived the planning stages and has actually gone into production. According to the business monthly TopBusiness, some 1,000 of the vehicles have been ordered. They are being produced at a rate of two a day at Hotzenblitz's facility in Suhl, Thuringia.

Founded in 1991, Hotzenblitz Mobile GmbH & Co. KG has received two infusions of venture capital from two very different sources. The first, from a West German industrialist, got the project up and running. The second, from a public-sector bank and the state of Thuringia, allowed the company to survive its marketing and expansion phase.

According to a study carried out by Halle's Institut für Wirtschaftsforschung, there are some 11,000 companies in Hotzenblitz's situation in Germany's new states.

Founded or privatized over the past four years, these small-scale industrial companies have already created or secured 300,000 jobs.

Like Hotzenblitz, these companies now have newly developed products achieving initial market successes. They therefore also have a voracious need for further capital.

The task is easier

In the past, finding capital was often a matter of laborious hunting and gathering. The task has become much easier over the past few years, thanks to the setting up of a wide variety of equity-participation programs and venture-capital funds by public- and private-sector bodies.

Many companies now have a new, rather quiet and highly solvent partner: their home state.

Going by the unwieldy names Thüringer Industriebeteiligungsgesellschaft



& Co. KG or Technologiefond des Landes Mecklenburg-Vorpommern, these newly founded equity-participation companies are often called upon to rescue companies facing temporary liquidity problems, or to help rapidly expanding ones finance their participation in large-scale production facilities or infrastructure systems.

All told, the public sector has directly provided 750 million Deutsche marks (\$478 million) to firm up new companies in 1994.

The marriage broker

To meet the growing demand for venture and working capital, Deutsche Ausgleichsbank, the public-sector development bank, recently doubled the amounts available for individual companies from its Eigenkapitalprogramm (share capital provision program). The bank provided 8 billion



Companies in the new states received 8 billion DM in venture capital from the public-sector Deutsche Ausgleichsbank last year.

DM in venture capital alone to companies in the new states in 1993. Moreover, it has come up with a particularly ingenious instrumentality.

The bank has started serving as a "generous broker" between Western companies rich in capital and manage-

ment know-how, and companies in the new states with promising products. To make this marriage attractive, the bank bestows an extra dollop of working capital (in the form of a reduced-rate loan) upon the joint venture.

For the bank, the provision of venture capital in the new states has proven a very safe investment. For every 1,000 companies founded with the bank's money since 1991, only eight are no longer in business; this is one-third of the rate in highly solvent Western Germany.

The largest source of capital for small companies in the new states remains the mighty Kreditanstalt für Wiederaufbau.

Primarily through its Mittelstand program, the bank provided 30 billion DM in reduced-rate, long-term repayment loans to some 50,000 companies in the

new states during the period 1990-1993.

Often criticized for being remiss in this regard, Germany's "standard" banking sector recently launched a wide range of equity and venture funds of its own. As befitting its role as the capital city's house bank, Bankgesellschaft Berlin has been especially active in both kinds of investment support.

Its LBB Beteiligungsgesellschaft mbH provides equity capital, while this company's subsidiary, Seed Capital Fund GmbH Berlin, is a classic joint-venture fund.

Meanwhile, the European Union is furnishing some 27.5 billion DM to the new states in 1994-1999, with 60 percent of this going to the creation and securing of jobs (through "regional funds"), and 40 percent to develop the new states' economic infrastructure.

GOOD-BYE TO THE TREUHAND, GOOD LUCK TO ITS SUCCESSORS

On Dec. 31, 1994, Berlin's Treuhandanstalt will officially close its doors.

After four-and-a-half-years of operations, the Treuhandanstalt will shut down at the end of this year, and its formidable president, Birgit Breuel, will launch a new career as head of Hannover's Expo 2000 world fair.

The Treuhandanstalt will leave behind an impressive legacy: more than 14,000 companies privatized, some 1.5 million jobs secured, and well over 250 billion Deutsche marks (\$159 billion) in investment commitments and privatization proceeds secured. The cost of all this, according to Ms. Breuel, was "somewhat less than 275 billion Deutsche marks." Part of this amount also went to decontaminate thousands of industrial sites in the new states, to equip companies with new capital stock and to rid them of their debts — all necessary preconditions for their privatization.

In an apparent paradox, investors will be working hand-in-hand with the Treuhand for some time to come. The Treuhandanstalt has entered into some 45,000 contracts with investors; nearly all these contracts include complicated and lengthy compliance and joint-participation clauses.

Extensive holdings

These will be monitored by the BVS (Bundesanstalt für vereinigungsbedingte Sonderaufgaben), the federal agency for special assignments related to German-German unification. Although no longer the "largest farm and forest owner" in Europe, the Treuhand still has extensive holdings in this area. They will be taken over by the BVVG (Bodenverwertungs- und Verwaltungsgesellschaft), already in existence.

At latest count, less than 100 companies were in the Treuhand's stewardship, and the number is steadily dwindling. These include such key industrial companies as Deutsche Waggonbau AG (the new state's prime producer of rolling stock), as well as the companies grouped into "management holdings."

Nearly all of these companies are reporting rising turnovers and profits. This means that their tenures in the ownership of Beteiligungs-Management-Gesellschaft Berlin mbH, the newly founded public-sector company holding the Treuhand's remaining corporate assets, will be relatively short.

Looking to the TLG

In the future, international investors will be dealing most often with the Liegenschaftsgesellschaft der Treuhandanstalt

mbH (TLG), the Treuhand's real estate arm. TLG had already sold property worth 15 billion Deutsche marks for its corporate parent, securing investments of 41 billion Deutsche marks in the process, as of June 30, 1994.

As the TLG has been selling some 65 properties a day, seven days a week since then, these figures are somewhat out of date. The TLG, however, has plenty of properties left. On Jan. 1, 1995, it will become the official owner of the Treuhand's stock of 65,000 properties. The federal government has entrusted it with the marketing of more than 8,000 former military sites, of which 162 have already been purchased by the private sector.

Private-sector flair

The TLG is even thinking of putting itself up for privatization within the fore-

seeable future, reports Günter Himstedt, its managing director. Showing a very private-sector flair, the TLG has just published a splashy catalogue featuring its showcase properties: 20 castles, palaces and mansions. According to the Süddeutsche Zeitung, the cheapest property is going for a very reasonable 51,000 Deutsche marks — about the price of a broom closet in Munich.

A palace for sale

The most expensive is Schloss Boitzenburg, whose price starts at "several million marks," not including considerable renovation costs. As the TLG points out, however, the buyer of this property will get a lot for his or her money: almost 100,000 square meters (1,080,000 square feet) of land and water. The palace also has an "impressive" moat.

GERMANY: THE NEW STATES

THE NEW MOBILITY: CAUSE OR EFFECT?

A look at the growth of travelers and transport links.

The 50 billion Deutsche marks (\$32 billion) spent on upgrading the new states' transport infrastructure over the past four-and-a-half years has effected a major expansion in personal mobility in and access to the region.

According to a study recently released by Munich's Institut für Wirtschaftsforschung, passenger use of the railroads in Germany's new states is up 27 percent in 1994. Air traffic (as measured in passenger arrivals and departures) is now running 44 percent higher than it was two years ago. After showing three successive and sharp rises, automobile traffic has stabilized at historically high levels.

In an entirely related development, outside arrivals in the new states are also exhibiting record increases. In

1993, the new states' travel industry (including hotels, restaurants and tour operators) recorded a 20 percent growth in turnover, reports Dehoga, the German travel-trade industry association. This makes the region Germany's fastest-growing travel area, with convention- and congress-related business accounting for a significant portion of that growth.

Signs of strength

In a sign of further strength, the number of overnight stays in the new states was up 25 percent this summer. This increase is partially due to the 42 percent increase in the number of the region's hotels, motels and guest houses.

Business travel

Not to be outdone, the new states' residents have been



Leipzig-Halle is currently the fastest-growing airport in Germany.

flocking to make up for lost time, and they are traveling within the region and beyond it in large numbers. While the number of vacation-related trips is down somewhat from the post-unification era's artificially high levels, the amount of business travel is reportedly up sharply.

More and more people are moving about the new

states, and they have been making full use of the wide range of new links between the new states and the outside world.

Five cities in the region, for instance, now form part of the Deutsche Bahn AG's super-express ICE grid. Such airports as Leipzig-Halle (currently Germany's fastest-growing airport), Erfurt and Dresden are served

by new scheduled and charter lines.

Did the increase in travelers cause the increase in links, or vice versa?

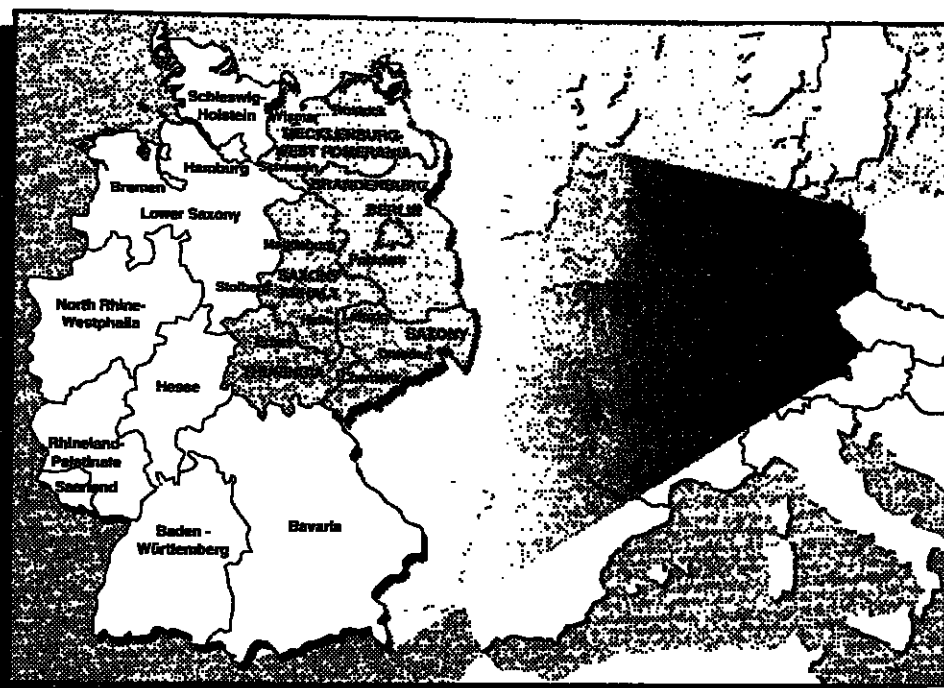
"The rail lines, highways, waterways and airports would have been built or upgraded in any case, as good transport infrastructure is an indispensable basis for sustained business development," says Günter Rexrodt.

Germany's federal minister of economics.

"It was also to be expected that the residents of the new states, denied access to much of the world for so long, would take full and immediate advantage of their new freedom," he adds. "However, the extent of their wish to travel has caught everybody a bit by surprise."



Personal-computer manufacturing has taken off in a big way, fueling a 150 percent increase in sales in the new states' computers and office-machine sector.



ENVIRONMENT: THE GREAT GREEN JOB-MAKING MACHINE

A look at the rapid growth of environmental services.

Some 160,000 persons in Germany's new states are providing the most important service of all. Strictly speaking, they are not serving other people, but rather the environment.

It is widely known that the service sector has been the great job and growth creator in Germany's new states. It is not generally known, however, that environmental technologies have been this sector's fastest-growing individual area. This fact is derived, in turn, from another one: Aside from a well-developed recycling system, there were basically no environmental services in the new states.

The expansion in environmental services has one essential cause — the huge amount of money going into solving the vast problems afflicting the new states' environment. This expansion has one essential effect — the creation of a new kind of entrepreneur.

In 1994, according to a study conducted by Berlin's DIW (Deutsches Institut für Wirtschaftsforschung), some 16 billion Deutsche marks (\$10 billion) will be spent on cleaning up the new states' land, air and water, with other estimates ranging from 12 billion to 30 billion DM.

The money has gone to people like Professor Jupp Kreutzmann, Karl-Heinz

Kluger and Wolfgang Boost.

Anything but normal Jupp Kreutzmann's story is typical of his profession. In the post-unification era in Germany's new states, a professor and researcher sets up his own company and prospers. His area of specialty — ecological chemistry — was anything but normal in the former German Democratic Republic. Mr. Kreutzmann was the country's only professor specializing in this subject.

In the 1980s, Mr. Kreutzmann and his team of assistants went out to Bitterfeld and Freiberg and, using self-made sensors and pollution-detecting equipment, began recording the shocking truth about the despoliation of the environment in those communities. In doing so, Mr. Kreutzmann had to overcome prolonged harassment and resistance from East Germany's omnipotent state apparatus.

In 1990 came the dismantling of this apparatus and the advent of the free-market economy. Mr. Kreutzmann leaped at the opportunity to found his own company, located in Mecklenburg-Western Pomerania, his Nordum Institut für Umwelt und Analytik GmbH started off with a staff of five in 1990. Today, the company employs 25 people. Its envi-

ronmental auditing and management services are used by public- and private-sector clients.

6,000 new jobs

The area whose story Mr. Kreutzmann broke to the world is today the site of one of a promising economic and environmental redevelopment project. Thanks to 2 billion DM in investment, some 6,000 jobs have been created in the Bitterfeld-Wolfen area over the past four years. Of these, 570 jobs stemmed from the founding of Technische Dienste und Anlagenbau GmbH (TDA), one of the 180 new companies in Bitterfeld's manufacturing and technical services sector.

According to Die Wirtschaft, the German business weekly, TDA has been "the largest and most successful MBO [management buy out] in Germany's new states." Led by chemical industry veterans Karl-Heinz Kluger and Wolfgang Boost, the company is vital but indirectly active in environmental protection. TDA maintains production facilities and assures that they function according to plan and without producing unforeseen emissions. Many of the production facilities it builds are directly plugged into environmental treatment and storage systems.



Opel's Eisenach plant: a thriving sector.

INDUSTRY'S YEAR OF COMING ON LINE

Industrial productivity is surging in the new states.

The list of brand-new or thoroughly renovated factories producing automobiles, trucks, special-purpose vehicles and motorcycles in the new states is long and well-known. The list includes Mulcar in Waltershausen, Mercedes Benz in Ludwigsfelde, Opel and BMW in Eisenach and VW in Mosel. Their cumulative impact can be expressed in statistics. The new states' 501 companies in this field posted a 46.7 percent increase in production in the first half of 1994, as compared with the same period in 1993.

The second statistic is even more important: The total value of orders received — the best predictor of future output — increased by 70 percent over the same period.

Europe's largest recycler

The paper-manufacturing sector boasts similar achievements. Haindl's ultramodern and environmentally friendly 700-million-Deutsche-mark (\$446 million) facility, the largest one processing recycled paper in Europe, recently launched operations in Schwedt, Brandenburg. It is by no means the only such facility in the city or in the new states. Among the 111 companies in this sector is Schwedt Papier & Karton GmbH, whose 190-million-Deutsche-mark plant also processes recycled paper and is also located in Schwedt. All told, these new facilities

ties have helped produce a 75 percent jump in the sector's output over a nine-month period.

Problem kids shape up

Even more striking turnarounds have been achieved by two of the new states' former "problem children." After considerable amounts of public investment in new facilities, the production of rolling stock was up 30 percent in the first half of 1994, with an overwhelming increase of 100 percent in orders on hand.

After being especially hard hit by competition from the west, the region's manufacturers of fine mechanical items and watches were re-equipped and re-capitalized, resulting in jumps of 22 percent in turnover and 47 percent in new orders received.

Powered by PCs

The biggest jump of all has come in the new states' computers and office-machine sector.

Powered by explosive growth in personal-computer manufacturing, the sector recorded a jump of 150 percent in sales.

All this adds up to some 90 billion Deutsche marks invested in the region's new factories (and in what goes into and around them), a 22.6 percent increase in industrial output and a 19.4 percent rise in orders received in the first half of 1994, as compared with the same period in 1993.



Staying on top: In 1995, Siemens' \$1.8 billion facility in Dresden will start manufacturing the latest chips.

CREATING THE TECHNOLOGIES THAT CREATE THE CHIPS

State-of-the-art technologies are being produced in the new states.

In today's fast-moving microelectronics world, having the latest chips or even the latest chip-manufacturing technologies are not as important as having the most advanced design systems, which produce both.

The latest chips will be manufactured, using the latest chip-manufacturing technologies, starting in 1995 at Siemens' 2.8-billion-Deutsche-mark (\$1.8 billion) facility in northern Dresden.

The 256 megabit chips will incorporate many of the advanced microelectronic design methods and procedures developed by Siemens and the other European companies and institutes participating in the Munich-based Joint European Submicron Silicon Initiative program.

Participating in JESSI is ZMD (Zentrum Mikroelektronik Dresden). It is just one of a

total of 44 institutes and companies in the new states involved in the various pan-European research-development projects.

In turn, ZMD has been directly commissioned with microelectronics design and testing work for Siemens, Philips, Grundig and other major European producers; this has produced so much work that the company recorded a 14-fold increase in turnover in 1994.

All of today's advanced chips make use of silicon's various semiconducting properties. A leading developer of these properties is the Institut für Halbleiterphysik, located in Frankfurt/Oder, one of the 3,000 research institutes and companies in the new states, according to a recent survey conducted by the Forschungsagentur Berlin GmbH, a research monitoring company.

TARGET: GLOBAL OUTREACH FOR LOCAL BUSINESS SECTORS

Where opportunities beckon, international companies congregate.

The various federal agencies, 64 state and local corporations and agencies, 17 chambers of commerce and industry, and six state ministries of economics involved in promoting the business development of the new states once more turned in a stellar performance in 1994.

They are now outfitted with CD-ROM discs, on-line laptops, investors' hot-lines, attractively packaged local gastronomic delights and a wealth of convincing statistics.

Long-term private-sector investment from outside the region totalled 54 billion Deutsche marks (\$34 billion), up 10 percent over 1993 and setting another record, according to Munich's Institut für Wirtschaftsforschung (IFO).

Good news flourishes

Most encouraging for the local development corporations was the growth of each of their individual economic areas.

A strikingly high percentage of their newly founded companies have survived the tricky founding phase. Furthermore, most of these companies are now flourishing.

There have been no exercises in self-congratulation.

"An important part of our work still lies ahead," says Helga Manneck, director of the Federal Ministry of Economics' Center for Foreign Investor Information in Berlin. Founded in 1991, the center has served as a prime interface between the world's business community and the new states' economy.

The next job for the center and for the Federal Ministry of Economics as a whole is to internationalize the new states' production and technical services sector.

Showcase for quality Manfred Rupprich, senior investment counselor at the Center for Foreign Investor Information, points out that "the new states' companies have a wide range of innovative products and services, and clearly defined needs for international marketing arrangements. All that is required is that the companies get the proper showcasing on the international level."

Exhibitor support

To facilitate this business-to-business contact, the Federal Ministry of Economics has promoted a lively two-way traffic, with numerous international companies attending trade missions to the new states and local compa-

nies participating in missions abroad.

Trade fairs are an important venue for this contact. All told, the Federal Ministry of Economics has supported the participation by some 2,300 of the new states' companies in trade fairs and exhibitions abroad. 700 of them in 1994 alone. Correspondingly, nearly all the trade fairs held in the new states last year received direct and indirect exhibitor support from the public sector.

The expatriate crowd

The growth of the international community is testament to the increasing attractiveness of the regional economy.

The international community in Germany's new states includes some 300,000 persons; an estimated 3,000 companies, subsidiaries, representatives and offices; German-foreign (such as German-American) business clubs and chambers of commerce in Berlin and Leipzig; five international secondary schools, of which four use English as the primary language of instruction; and an English-language magazine, which appears in Berlin and is entitled, appropriately enough, International Community.

THE NEW NORTH

Continued from page 15

these countries have already led to a bubbling of East-West trade and transport relationships.

"Mecklenburg-Western Pomerania, Saxony and Brandenburg have done their fair share to help the accession of our eastern neighbors to the EU," says Burkhard Dreher, Brandenburg's minister of economic affairs, pointing to the transnational European region created by the three new states and Poland and the Czech Republic over the

past four years. Also created have been two international parks, a German-Polish "Europa University," and international business and world-trade centers.

To put an end to chronic traffic jams at border crossings, Saxony launched in September a "rolling road" that shuttles trucks between Dresden and the northern Czech Republic. Brandenburg and Poland are busy constructing high-capacity customs checkpoints. "Our top priority is simply getting everybody across the border," says a local official.

GERMANY: THE NEW STATES

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Leipzig's trade-fair authority is among the top 20 in the world.

HIGH TIMES, HIGH STAKES AND HIGH TECHNOLOGY

The new states' university towns offer a sense of high adventure.

An increasing number of West Germans prefer to study in the new states' 15 university cities — or "uni towns," as they are affectionately called. West Germans account for one-seventh of the 123,610 students matriculating this year in the new states. Their reasons for heading eastward are eminently understandable. The new states' universities offer relatively low student-teacher ratios, small classes, abundant housing and easy access to even the most desirable courses.

Founded in 1409

The quality of housing varies as greatly as the ages and sizes of the universities themselves. Focusing on promoting economic and cultural ties between Germany and Poland, the Europa University Viadrina has just opened its doors in Frankfurt/Oder, with a corresponding private-sector university still in the founding phase on the island of Rügen. The oldest among the new states' universities is the University of Leipzig, which commenced operations in 1409.

Schiller and Goethe

Perhaps the most famous of the local "unis" is the Friedrich Schiller University in Jena. Its namesake began lecturing in history there in 1789. Schiller had been recommended for his nonpaying position by a local official and poet named Goethe. At that time, the university was already 231 years old, making it 167 years younger than the University of Erfurt. The latter is now to begin operations

again, with classes set to start in autumn 1996.

As one might expect, Berlin's Humboldt University is the largest in the new states. Its enrollment of more than 23,100 is 230 times larger than that of Zittau's.

Shocked but lucky

While contending with a mild form of culture shock, the arrivals from the West are also experiencing "a chance of a lifetime." Professor Olaf Werner recently said in an interview in the Süddeutsche Zeitung. Mr. Werner is one of the many "imports" from the West. To date, some 3 billion Deutsche marks (\$1.9 billion) have been invested in the new states' system of post-secondary education by the federal government alone. Some 160 million DM of this amount and various other federal and state funds have gone to Jena's university.

More funds needed

According to local professors and students, this money is by no means sufficient. Space in some departments is scarce; other buildings and facilities are still awaiting renovation and expansion. Nevertheless, the funding has been enough to trigger a remaking of the university's faculty and curricula, and to create an entirely new atmosphere in Jena.

"We in Jena have the chance not only to take paths never before taken," says Mr. Werner, "but also to determine entirely new ways of proceeding."

Today, their new paths

have taken the 26,000 scientists and 30,000 trained technicians in the Jena area throughout the city and rather far down the road of free enterprise, even into the depths of outer space and of industrial Thuringia. Many of them are now staffing the 27 university-related and independent research-and-development centers, technology-transfer agencies and centers, and business parks in the city. Some of these centers and parks are spanking new; others are converted facilities that once belonged to the Carl Zeiss Jena Kombinat, a vertically integrated, public-sector holding company. Occupying them are some 150 companies, according to an unofficial count.

Help for satellites

These companies' products are helping satellites communicate with each other via laser beams. They are also turning decades of tar deposits into usable chemicals, and leaves and living tissues into "readable works," thanks to ultra-precise scanners.

The "birth" of a number of these companies was midwifed by TOU (Förderung technologieorientierter Unternehmensgründungen), a special venture-capital fund financed by Germany's federal ministry of technology and research.

As of June 30, 1994, there were 215 TOU companies in the new states. The money allocated to support them was just a small part of the 1.6 billion DM going to the new states' R&D community from the federal government in 1994.

TRADE FAIRS CHALK UP A RECORD-BREAKING YEAR

The new states' trade fairs have attracted enormous international interest this year.

This year, the trade fairs in Germany's new states attracted a record number of exhibitors and visitors from the West, reports Die Wirtschaft business weekly in a special report. This record is partially due to another record: 165 major events were staged in 1994 by 50 local and corporate organizers, most of them professionals from the West. The local authorities include such relatively small and highly enterprising operations as those in Cottbus and Neubrandenburg, as well as in Messe Leipzig, one of the world's top 20 trade-fair authorities, whose new fairgrounds will be opening its doors in spring 1996.

The record was also due to the abundance of exciting new products and services showcased at these fairs, which also featured a wide range of new-look formats.

Attracted by new market

For many observers, however, it was neither the products nor the services these companies displayed that primarily brought the "outsiders" to the new states; rather, it was the companies themselves and the market they form.

"International companies are coming to the trade fairs because of their eagerness to make full use of one opportunity, and their fear of missing out on another," says Rudolf Huber, spokesperson for Leipziger Messe AG. "Many of the new states' 460,000 companies have developed ranges of very interesting and competitive products and services over the past four years — plus a large amount of purchasing power. International companies are always on the lookout for new technology and components suppliers and customers, and that is one reason why they are coming to the new states' trade fairs."

Another reason, he adds, is that foreign

companies have noticed that "a very large and highly sophisticated market has taken shape here, and that these companies realize the need to secure locally based expertise in cracking it."

Relation between equals

This has resulted in "a state of relationships between equals," says Bernard Veltrup, senior official at the Federal Ministry of Economics' central coordinating board for the new states.

"These can take many particular forms — single-project partnerships, one- or two-way licensing and marketing agreements, or even new-look joint ventures," Mr. Veltrup adds.

The only persons not entirely pleased with the development are the statisticians and business-development promoters.

"We have a flood of reports on individual joint ventures — such as the 100 million Deutsche mark (\$64 million) venture concluded between BASF and GE in Schwarzheide, Brandenburg — but no comprehensive figures," says Ute Leupold, staff investment expert at the Federal Ministry of Economics' Foreign Investment Center in Berlin. "The reports are useful when it comes to promoting investment in the new states, but statistics would be better."

News flash

The flood of reports includes these updates: A Belgian pharmaceutical company sets up a joint venture with a pharmaceutical company in Rodleben, Saxony-Anhalt; Jena Feinschmiedetechnik, a joint venture between Jenoptik and Switzerland's Feintool International Holding, commissions its new factory; DLW-Metecno GmbH, a joint venture between the new states' DLW Bautechnik GmbH and Turin's Metecno S.p.A., puts its new factory into operation; and much more.

READY TO GO: CHOP SUEY, CALZONE AND CUCUMBER SOUP

A survey of regional and international dining in the new states.

For once, the competing teams of tasters and testers from Guide Michelin and Gault Millau are in agreement. Both put the number of "gourmet communities" in Germany's new states at 40. This means that 40 towns and areas — from Suhl in the south to Rügen in the north — have at least one restaurant with a ranking of "one star" (or "one toque," in Gault Millau's parlance). As one might expect, the Leipzig and Dresden areas lead the pack.

Regional vs. international

These gourmet guides reveal two interesting patterns. The stars and toques are divided on a 50-50 basis between the resurgent regional cuisines and such international culinary superstars as French and Italian cooking. The "foreigners" tend to congregate in the region's central cities; the best of the regional establishments are found out in the country.

For every Ristorante Rossini in downtown Dresden, there is a Hotel Schloss Blücher in Gohren-Lebbin, a village located slightly more than 100 kilometers (62 miles) north of Berlin.

The Hotel Schloss Blücher is well worth the trip. As

Gault Millau reports, "the food is as sumptuous as its setting — the palace's dining hall." The Prussian field marshal Blücher — the real victor at Waterloo — spent a king's ransom (literally) in building and decorating his seat.

The same breadth of gastronomic selection is available for those not willing to spend the 100 Deutsche marks (\$64) per person levied by the new states' Rossinis or Blüchers.

Willing to deliver

At the moment, the Italians definitely have the upper hand.

In the early days of the new states, it was the Chinese who pioneered foreign fare in the far reaches of Güstrow, Gera and Götting. In Weimar, for instance, there are now five Chinese restaurants.

Then a wave of Marias and Antonios swept over the region. In setting up a near monopoly of dining establishments in many small towns, the Italians capitalized on their proximity to Germany — and specifically, the new states.

Their mobility was another advantage. They were willing to deliver. Italian-

made compacts bearing the magic words "Call-a-Pizza" or "Pizza Pronto" are now staples of the new states' city streets. Weimar, for instance, boasts seven Italian restaurants, two American steak houses, two Greek tavernas and a putatively English pub.

"Call a Chinese" cars

With typical entrepreneurial dash, the Chinese have been quick to follow suit. "Call a Chinese" cars have been spotted in both Leipzig and eastern Berlin.

A quick glance at the menu reveals the Chinese' cleverness. In a classic display of "if you can't beat them, join them," the call-in menu offers calzone alongside chop suey.

All is not lost

All is by no means lost on the inexpensive regional foods front.

The new states offer a gratifying number of moderately priced, stylishly and sparsely furnished establishments offering "noble fish soup from the Havel region" or "Spreevald-style cucumber stew." Oddly, these paladins of regional foods bear a generic, French name: "bistro."

ENJOY THE PRESENT, PURSUE THE PAST

Continued from page 15

the Baltic island of Usedom. A goodly portion of the money earned in financing Germany's industrial revolution went to build this magnificent villa. After the banker Bleichröder and his family departed from the scene, the tyrants arrived, with the villa becoming one of Göring's favorite vacation spots.

Then came the victors. Soviet Army officers recuperated the villa's large-sized park, and they went swimming in the adjoining sea. Communist dignitaries engaged in various leisure-time sports and frolic.

The newest occupants of the Hotel Diana, now thoroughly renovated, are those making current economic history — successful business executives from near and far.

For travelers looking for a hotel with a long and illustrious history, Weimar's Hotel Elefant is hard to beat. Originally built in the 16th century, the hotel welcomed such guests as the painter Lucas Cranach, Johann Sebastian Bach, Richard Wagner and Thomas Mann. The latter, on the obligatory tour of "Europe's capital of cultural life," was moved to set a work in the hotel.

Young Werther's woman
The Lotte in "Lotte in Weimar" is Charlotte Kestner, who arrives in Weimar wanting to re-encounter the great suitor of her youth: Johann Wolfgang von Goethe, who had immortalized her in the "Sorrows of the Young Werther." For those interested in exploring the traces of these titans of Weimar's past, the exquisitely comfortable hotel maintains a

team of vigilant, vigorous guides on its staff.

Foreign tourists' interest in Lotte, Goethe and Weimar has often taken unusual forms.

One of Seoul's flagship department stores, for instance, is named "Lotte," a tribute to its owner's passion for Goethe's work.

The influence of water

History books always point to Brandenburg's sandy soil as the determinant of its thrifty entrepreneurship. To date, no historian (and only one novelist, Theodor Fontane) has speculated on the influence of water on the state's character. Brandenburg, after all, does have some 10,000 lakes, river arms and marshes.

Tourists-cum-scholars wishing to personally make amends for this oversight should stay at Burg's

Gasthof Zur Linde, a completely restored 19th-century guesthouse perched in the Spreewald, Brandenburg's bayou country. Or they can let themselves be guided by Fontane and visit Lindow, "one of the most beautiful parts of the Mark Brandenburg," and put up at its Parkhotel am See. This half-timbered hotel fronts a lake, and it is within easy walking distance of two others.

Since the poet Heinrich Heine put the Harz "on the map" by immortalizing these mountains in his accounts of his wintertime Wanderungen, or hikes, what better place to stay in the Harz than in the Hotel Heinrich Heine? This turn-of-the-century hotel is situated in the midst of a palatial park; it is located in Schierke, a town in the very heart of the Harz, central Germany's highest mountain range.

Visitors can emulate Heine and traipse down the "Heinrich Heine Way" (the new name of one of the winding paths taken by him) to the Brocken, the mountains' highest point, or to Wernigerode, a masterpiece



Rügen's chalk cliffs:

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of medieval half-timbered design.

Everything about Wörlitz was a family affair. Its duchy of Anhalt-Dessau was family-sized, small enough for its ruling dynasty to take a high familial interest in the doings of its subjects. Anhalt-Dessau's family passion was gardening.

Their Wörlitz Park is still considered one of the world's greatest gardens. The best place to stay in Wörlitz is Zum Stein, a guesthouse that has been

owned, fittingly enough, by the same family for more than 70 years.

Millionaires' mansions

It was a great tradition in Saxony: As soon as an industrialist made his first million gold marks or so, he built a mansion from which he could commune with the state's feudal past, its castles and fortifications. Pre-World War I Saxony was not short on either millionaires or mansions. The state accounted for one-third of Ger-

many's entire industrial production. Nor was Saxony short on castles. Its ruling dynasty in Saxony had shown a propensity for dividing up kingdoms, rather than sharing power.

One of the Saxons, Julius Bittorf, made his fortune from manufacturing dye and fine paints — not a bad idea in the porcelain city of Meissen. His villa's exterior, paneled with brightly colored tiles, details the source of his wealth. The villa has become the Parkhotel Pannon-

ia Meissen. It faces Meissen's mighty castle, which is perched upon a mountain and has loomed over Saxony's history for 1,100 years.

One of Europe's great industrial cities, Chemnitz had more than its share of millionaires and mansions, plus a mighty castle of its own. Facing it is the comfortable Burghotel Rabenstein, which also has another claim on the tourist's interest — one of the best restaurants in the new states.

"GERMANY: THE NEW STATES" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the Federal Ministry of Economics. WRITER: Terry Swartzberg, a business writer based in Munich. PROGRAM DIRECTOR: Bill Muhder.

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RECOVERY: WHAT THE RECESSION TAUGHT

Not only management techniques, but the way schools are teaching them, are changing.

As Europe recovers from recession, executive recruitment is starting to pick up, and the Continent's hard-pressed business schools are starting to receive more applications for courses. The corporate habits acquired during the recession, however, seem to have brought about some permanent changes in the way business is conducted.

"We are changing from the technological society to the intelligent society," says Luis Puges, dean of the ESADE business school in Barcelona. "This is enormously significant for management, since it shifts the emphasis from leaders who can impose their will to groups of creative thinkers headed by a responsive coordinator."

According to Mr. Puges, this movement is equally important for business schools. "We have to change from being the dispensers of teaching to [becoming] learning organizations," he explains.

New kinds of training sought

In addition to cost-cutting, the corporate re-engineering exercises of recent years were aimed at making companies more responsive to local demand. "In some cases, companies merely looked at the downsizing aspect as a way of reducing expenditures, and did not at the same time consider the value of creating possibilities for more flexible structures," says Bernadette Conraths, designated director-general of the European Foundation for Management Development in Brussels. "As a result, managers have tended to become more individualistic and task-committed at the cost of social cohesion. People are group animals; it is not in their nature to live and work in isolation."

The rapid nature of change in European management is illustrated by the shifting demand for executive development courses. "Though they do not come and tell us this in so many words, the board-level people who take part in our top-level workshops are no longer looking for the grand strategic approach that was needed over the previous five years or so," says Leo Murray, chief executive of Cranfield Business School in Britain. "What everyone at the top is looking for now is ways of working together as teams. It is being realized that the costs of dysfunctionality in this area can be enormous."

A major aim of corporate re-engineering has been to split up larger businesses into smaller autonomous operating units. This trend is leading to a search for informal alliances between companies. Combined with the growing use of new technologies and EDI techniques in stock-taking and ordering, these moves are reshaping intercompany supplier-customer relationships.

Reshaping intercompany relationships

"Manufacturers and distributors like Marks & Spencer are streamlining their supply chains by cutting down on the number of suppliers they use and concentrating on 'domesticated relationships' that are easier to manage," says Gary

Davies, professor of retailing and head of the marketing strategy group at the Manchester Business School in Britain. "Contrary to expectations that EDI would open up corporate buying and selling, these technologies are tending to lock suppliers and customers into effective informal groupings." Against this background, European business schools are battling to attract the profitable but difficult corporate business created by rapid change in the marketplace. "Every day it feels as if the world we knew the day before has vanished," remarks Bruno Dufour, president of the Lyon Graduate Business School and owner of a textile business in France's Rhône valley. As part of its efforts to meet this challenge, the school has recently joined with three other French business schools - ESSEC, EDHEC and ESC Nantes Atlantique - in a project called Mercure, aimed at developing multimedia techniques in business education.

Networking is becoming an increasingly important method for European schools to obtain critical mass. Five major French schools - ESCP PARIS, ESC Nice, the Lyon Graduate Business School, ESSEC and the HEC group - run an international recruitment consortium called the CIAM (Centre International d'Admission aux Etudes de Management).

AVOIDING THE RAGS-TO-RICHES SYNDROME

Studies have shown that businesses last about 40 years on average before they die or are absorbed.

If businesses last 40 years, reasons George Taucher, professor at IMD Lausanne, they must first have been successful. So why do they decline and what, if anything, can be done to prolong their life?

You believe that success automatically produces the seeds of decline and potential collapse. Can you explain why this is?

Success creates a strong tendency to resist change and continue with tried-and-true methods even when that success begins to falter. The resistance to change in corporate structures runs very deep. IBM is often cited as an example. Top managers knew that change was on the way, but it was not possible for them to act decisively until there was an intellectual acceptance within IBM that change was needed.

What can companies do to avoid this trap?

Let me answer by way of an example. The highly successful German engineering plastics and pharmaceuticals group, Hoechst, has strong corporate structures going back more than 100 years. The company recognized that it was necessary to move to a decentralized unit system, but much of the staff resisted and the then-chairman was against the change as well. He has since retired, and a new structure is now being put into place rapidly. In five to 10 years' time, Hoechst will be a loose federation with a small holding company at the top.

This sort of structure encourages the spirit of entrepreneurship by allowing the individual members of the group to run with their own projects and compete for

markets. This idea is very difficult for management of large centralized groups to accept. Administrative logic points the opposite way, suggesting that synergies and savings are obtained by organizing common services and procedures for the whole group. These can be calculated mathematically, whereas you cannot easily calculate the value of entrepreneurship to a company.

How do you create entrepreneurs in a large, mature business organization?

One approach is to establish what I like to refer to as a "skunk works." This is a low-cost operation set up outside the main corporate structure, stocked with a handful of entrepreneurial types reporting, say, to the chairman. IBM took this approach in the early 1980s by sending off 200 executives

and technicians to Florida with a budget of about \$200 million and instructions to design a winning PC.

Large, successful organizations need to develop dual strategies that will allow them to maintain their existing business, yet go off in new directions at the same time. You might think that one way to achieve this would be to form strategic alliances between different companies.

Unfortunately, joint ventures and other looser forms of cooperation usually reveal that it is impossible to maintain the necessary balance of benefits for very long.

Also, companies have to accept competition between different enterprises within the group. Moreover, to be fast and flexible, they have to allow their people to make mistakes.

What role does the board of directors play?

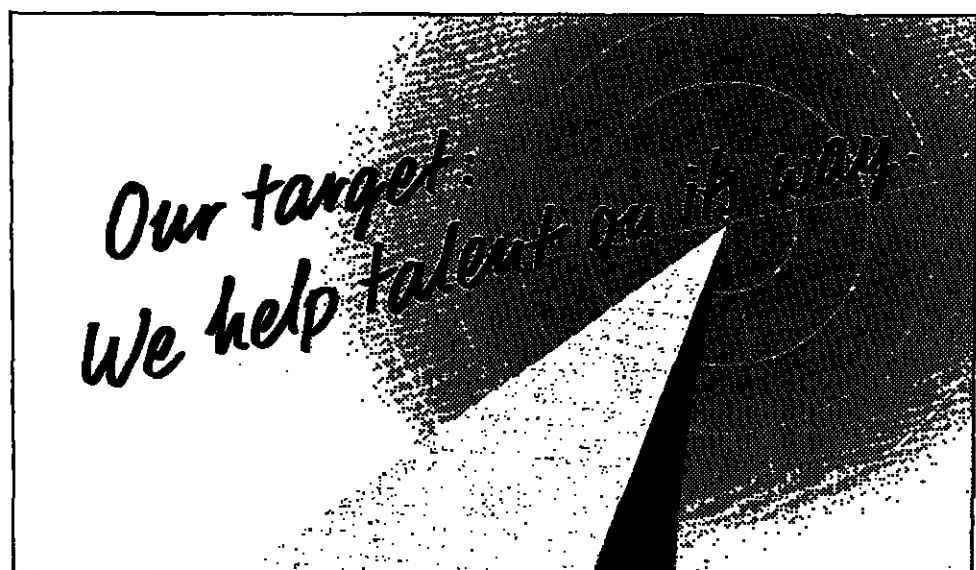
Board members - particularly nonexecutive directors - can be extremely effective agents of change. This applies particularly to the United States, where there is a dynamic capital market. It is much less the case in Europe, though. Ownership structures in countries such as France and Germany can make dynamic change exceedingly difficult.

Can European businesses learn anything from the Japanese practice?

An important factor favoring change in Japan is that managers as a whole are not in love with their existing products the way Western companies sometimes are. Thus they do not hesitate to kill the cash cow early on and devote the necessary resources to new technologies. Moreover, the Japanese system of loose conglomerates seems to avoid the success-to-failure syndrome by combining the advantages of size with the benefits of small, dedicated organizations.

Does all this have any relevance to the way business schools like IMD run their own operations?

Yes, definitely. Here we are, sitting in these splendid buildings designed for companies to send their people here for courses, whereas what they want nowadays is for us to go out to them. Maybe we business professors should convert ourselves into roving bands of entrepreneurs, going from place to place wherever we are needed.



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THE INTUITIVE WAY

It can't be quantified, but it's gaining ground.

A chief executive who supported his strategic proposals to the board of directors by telling them he felt in his bones that his plans were right would probably not stay long enough to draw his pension. Yet, in reaction to the number-crunching styles of the 1970s and '80s, intuition is back in fashion as a management tool.

Gurus like the Canadian management professor Henry Mintzberg lecture and write books about it. MBA courses approach the idea when they talk about soft skills. Even hard-nosed managers trained in traditional finance can be found owing up to the influence of gut feelings when the analytical arguments seem to point the other way.

"The analytical approach worked well enough in the 1960s and the 1980s, when the main issue involved was choosing which of several growth opportunities to go for," says Friedrich Neubaier, a professor at IMD in Lausanne. "In the 1990s, the questions involved are quite different. Managers now need to find ways of revitalizing their businesses and seeking new orientations. These matters are basically intuitive in nature."

On beyond reason

There are various definitions of intuition. Generally, it is taken to comprise the power of immediate or instinctive knowledge without recourse to investigation or reasoning. Justifying its use in management, commentators like to recall Jung's remark that intuition does not denote something contrary to reason, but rather something outside the province of reason.

In a new book entitled "Intuition: The New Frontier of Management," Indian business leader Jagdish Parikh (in collaboration with Friedrich Neubaier and Alden Lank, both IMD business professors), distinguishes intuition from qualities such as instinct, ingenuity and inspiration.

"Some people just seem to have a gift for making the right decision at the right time, almost as if they had a wizard with predictive powers on the payroll," the authors comment in their book, which is published by Blackwell.

They also point out that there is no way to distinguish clearly between intuition and wishful thinking. They suggest that the former is imbued with a sense of certainty and an absence of self-motivation, whereas the latter is the manifestation of the self in search of satisfaction.

Hard results

All this may sound very abstract, but the results can be eminently practical. After Nestlé bought Carnation in the mid-1980s, for example, the executive responsible was asked how much investigation had been carried out before the decision was made. He replied that Nestlé had watched the situation closely for some time and had gathered as much information as was possible from the outside.

It was not possible to find out everything in this way, however, and if Nestlé had been too intrusive the markets might have gotten wind of its interest, and Carnation's share price rocketed. Accordingly, an intuitive feeling for the rightness of the purchase played a key role in the decision.

"Intuition can be an important element in a management team helping the company to be more innovative and flexible and thus more effective," says Roland Calori, professor of strategy at the Lyon Graduate Business School. "It is also important to include managers with complementary skills and qualities such as financing and marketing abilities."

But can it be taught?

Nowadays, personality tests used by recruitment firms often try to determine factors closely linked to intuition, such as the candidate's creativity. In addition, development courses for top managers offered by major European business schools place emphasis on related qualities when examining matters such as successful teamwork.

An intuitive management style is commonly said to play a big role in successful contemporary businesses such as Richard Branson's Virgin group, Benetton in Italy and the Swedish Ikea. The French hotel and leisure group Accor opted for the best of both worlds by appointing a top management duo with complementary qualities.

"We use case studies involving innovative businesses in several of our courses," says Mr. Calori. "These help to show that not everything in the life of an enterprise is foreseeable and that pure rationality has its limits."

EUROMANAGERS FORUM

The seventh Euromanagers/Euromangers Forum taking place in Brussels Dec. 15-16 is playing host to 140 recruiters, 30 multinational corporations and 670 recruitment candidates selected from more than 4,400 applications. The event's organizers - the Brussels-based EMDS - estimate that some 2,000 interviews will be conducted over the two days.

Recently described as the leading recruitment fair in Europe, the forum is based on a strict selection procedure; it aims at matching high-caliber international graduates and young executives with major international corporations. This year's event is sponsored by major organizations, including Commerzbank and RWE.

EMDS is a personnel-management consultancy specializing in the international recruitment of graduates and young professionals. Top companies that have recruited at the forum include McKinsey, BP Oil, IM, Procter & Gamble, Hewlett-Packard and the Swiss Bank Corporation.

"By taking advantage of services and events organized by expert personnel consultants, human-resources managers can interview a predefined group of international candidates," say the organizers. "At the same time, companies can raise their profile and market their image among their target group."

Moreover, the forum gives the young, ambitious graduates selected from the applicants the opportunity to find out what companies have to offer in terms of international careers, responsibility, challenges and opportunities.

"Direct contact with the representatives of companies permits the extensive exchange of information both formally and informally," according to EMDS. "By communicating with other participants, graduates can also assess themselves in terms of their counterparts from other countries."

THE MANY LANGUAGES OF BUSINESS

As business becomes more cross-cultural, language skills and teaching are receiving closer attention.

In a cost-conscious climate, businesses are eager to try their language training resources to obtain immediate returns.

"Nowadays, there is less emphasis on organizing general language courses to keep the unions happy, and much more stress on intensive sessions for key people who need the training," comments Gill Hopkin, who runs a small language school called York in Madrid.

Reckons Andrew Kakabadse of the Cranfield School of Management in Britain: "Companies sending personnel abroad to do a specific job for a period of time want them to concentrate on that rather than be-

coming expert in the local language."

Anne-Marie Chilton, director-general of the Ecole Nickerson language school in Paris, says she has noted a marked decrease in business demand for French-language teaching over the last few years. "Businessmen in a hurry - particularly Americans - expect English to be spoken," she says.

Yet many European management jobs nowadays carry a language requirement. For example, RWE - a German-based international energy and technology group - is seeking recruits at this year's Euromanagers Forum. "Most vacancies are in Germany, so German is re-

quired," says RWE's director, Manfred Selke. The sharp rise in interest in German language study is reflected in Germany's being the "host country" of this year's Expolangues show, being held in Paris's Grande Halle de la Villette Jan. 27-Feb. 1, 1995.

Some schools develop a specific teaching method as a way of positioning themselves in the market. For example, CERAN in Belgium franchises independent schools in other countries to apply its method - for example the recently established Granada Lingua in Spain.

Universities are also developing special language courses for business. One

French example is the Centre Universitaire d'Etudes Françaises, attached to the Université Stendhal Grenoble III. It offers a selection of intensive courses in French language, culture and business.

According to figures collated by the EFMD, around one-third of European business schools provide language-training facilities. "We provide instruction in 15 foreign languages and are also involved in English teaching for foreign managers, especially from European countries and Asia," says Mohamed Djedoud, director of the language center at Manchester Business School.

FINDING A JOB GETS SOMEWHAT EASIER

Britain is showing the most demand for top managers, but job offers are growing throughout Europe.

Europe is hardly seeing the type of euphoria now reported on top U.S. campuses, where businesses have been competing to provide the most lavish receptions for recruits. European business schools, however, are reporting that this year's graduates have been finding it less difficult to obtain jobs.

Consultancies and banking - traditionally the two most eager seekers of MBA graduates - are in many cases showing interest again.

"We can see this pattern across Europe, and it is also reflected in our own school," comments Bonnie Moy, director of career planning at the Rotterdam School of Management.

A similar tale can be heard at Institut Supérieur des Af-

aires (ISA) at Jouy-en-Josas near Paris. Figures for ISA's 1994 class, which graduated in June, show 21.6 percent of graduates placed going into auditing and consultancy, followed closely by finance and banking, which took 19 percent. The health sector (12.5 percent) was the next most important.

Most graduates get jobs. "The manufacturing industry is still underrepresented among recruiting companies," comments Eleanor McGrath, ISA's career-development officer. Joe Goldiamond, associate dean of the Graham School of Management (St. Xavier University) in Paris, states that by July nearly all graduates from the school's small,

full-time MBA program had obtained jobs and that the average starting salary was almost 400,000 French francs (\$74,500) per year.

"Working on internships during the course is one important means of finding a prospective employer, while over the last five years we have also developed our alumni network as a way of providing job contacts for our graduates," Ms. Moy

says. "One of our major aims is to prepare students to manage their own careers on a lifelong basis."

Around 20 percent of Rotterdam School of Management's MBA graduates go on to work for the company at which they served their internship. A further 20 percent are accounted for by networking, and 15 percent come from on-campus contacts with employers.

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SPORTS

Despite Another Long Day, Baseball Still Stuck on 'No'

Compiled by Our Staff From Dispatches

RYE BROOK, New York — The striking major league baseball players and the owners were meeting again Wednesday, with the union expected to make a new offer, according to a member of management, and the owners still threatening to impose a salary cap on Thursday.

During a 15½-hour period that didn't end until just after 2 o'clock Wednesday morning, the sides met three times, with the union rejecting management's tax plan of Sunday as essentially a salary cap, then making a major proposal of its own that was turned down.

It had been speculated for months that if the players agreed to eliminate salary arbitration, the owners would drop their demand for a salary cap and the labor dispute would be history.

That premise was proved wrong during the day when the players offered to exchange salary arbitration for earlier, unrestricted free agency.

According to people on the players' side, the owners rejected the offer.

"They said they needed a guaranteed reduction of salaries and that didn't give it to them," one person said.

"They've always talked about cost certainty, but that's the first time they've acknowledged that."

The owners' negotiators long have talked of wanting to place a "drag" on salaries and allocating 50 percent of their revenue for player costs instead of the

58 percent that was projected for a complete 1994 season.

But the owners' talk of a guaranteed reduction, the union people said, showed them that that has been their aim all along, and that nothing else the players proposed in these talks mattered.

No management person would discuss the players' offer or the owners' rejection. The two sides labored through the day, meeting jointly for two hours, then breaking into separate caucuses for about three hours and reconvening late in the afternoon with reduced bargaining teams and meeting for two and a half hours before adjourning for dinner, then again until early in the morning.

They had been expected to break off talks earlier in the day, with the union's rejection of the counterproposal the owners presented Sunday, but Bill Urey Jr., the mediator, kept the negotiators going.

The union did not formally reject the clubs' new tax proposal, but the players made their strong negative feelings about it known. They then made the offer to eliminate salary arbitration, an idea the players had discussed and rejected at an executive board meeting in Atlanta last week.

They had been expected to break off talks earlier in the day, with the union's rejection of the counterproposal the owners presented Sunday, but Bill Urey Jr., the mediator, kept the negotiators going.

The players said they would give up salary arbitration in exchange for unrestricted free

agency for players with three or more years of major league service. Free agency eligibility currently is six years.

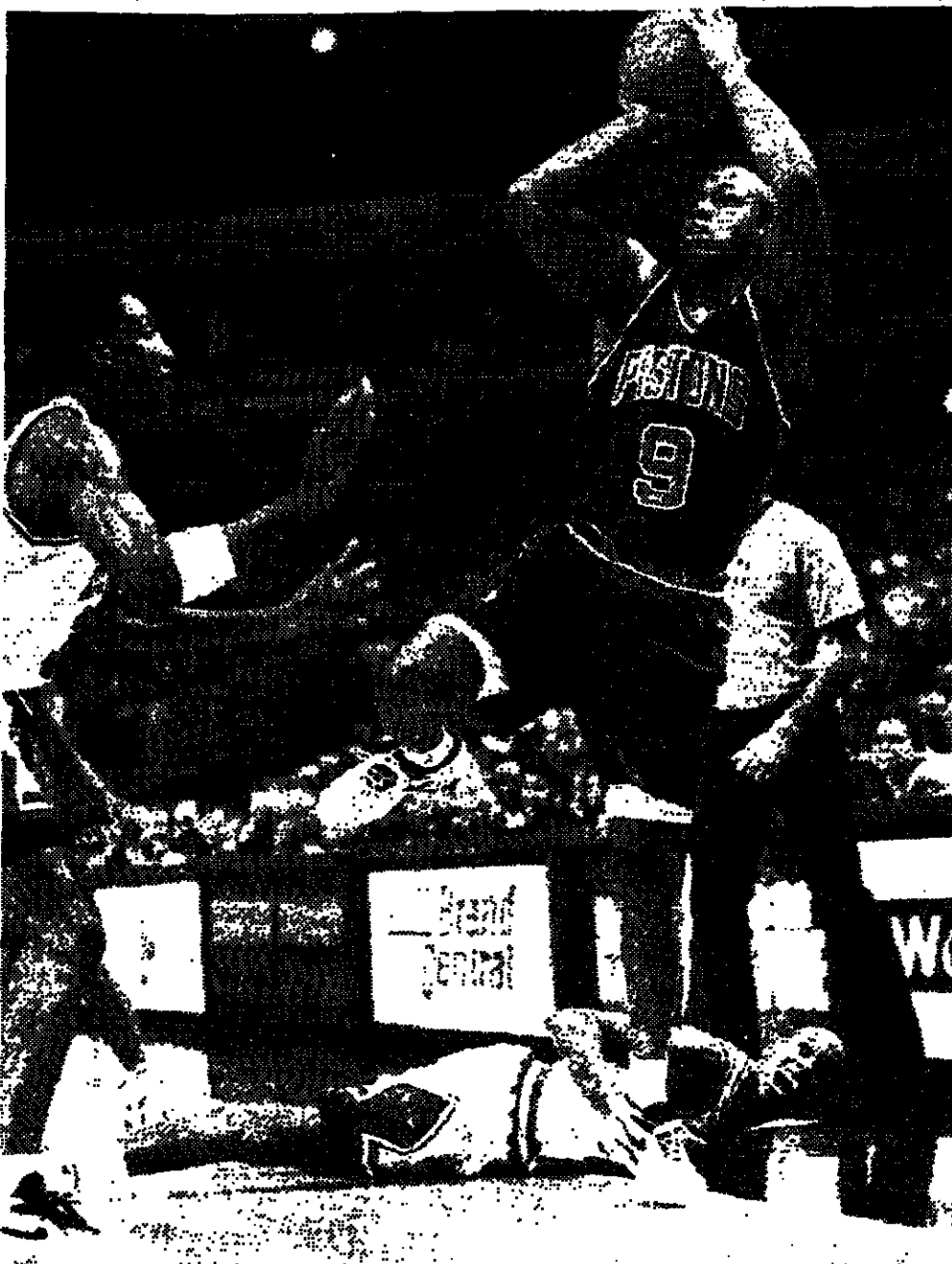
In making the offer, the players borrowed from a recommendation of the joint economic study committee two years ago.

"We have not agreed," the committee said in its report, "to recommend any changes in the rules governing player compensation other than the reduction in the service requirement for free agency from six to three years."

That change would eliminate salary arbitration because that is a procedure basically for players with three to six years of major league service. Arbitration, which was created in the 1973 negotiations and initiated before the 1974 season, has become the bane of club payrolls. The clubs have hated arbitration more than free agency because the salaries are decided by an arbitrator and thus the clubs cannot control them.

The players long have resisted relinquishing arbitration, which gave them their first bargaining leverage three years before free agency.

The players learned Tuesday that however the owners felt about arbitration, they don't want to kill it at the expense of not gaining the salary cap or luxury tax on payrolls they want. When the 28 club owners meet in Chicago Thursday, they are expected to declare an impasse in negotiations and impose a cap. (NYT, AP)



POPGUN — Guard Walter Bond floored B.J. Armstrong with his shot but the Bulls' Scottie Pippen, left, who finished with 31 points, flattened the visiting Pistons, 98-78.

Moe and U.S. Skiers On Cup's Fast Track

By Christopher Clarey

New York Times Service

VAL D'ISERE, France — Little more than a year ago, Tommy Moe finished third in a super-giant slalom in Val d'Isere. It was his first time on the podium in the super-G and cause for whoops, hollers and an evening of celebration.

Sunday, in the neighboring resort of Tignes, Moe competed in his first race of the 1994-95 World Cup season. This time he finished second in a super-G, but there were no whoops and hollers — only a raised fist and a grin that was nine parts satisfaction and one part relief.

"I guess it's kind of old hat for me now," Moe said.

Success is indeed beginning to seem more the rule than the exception for American skiers. Ten months after they won two golds and two silver medals in Alpine events at the Winter Olympics in Norway, they have come roaring out of the starting gates on two continents this season, putting a summary end to any further debate about whether their performance in February was a fluke.

The American women have led the way in North America, getting off to their best World Cup start ever by winning three of the first eight events and recording six other top 10 finishes, all in speed events.

The Olympic silver medalists Hilary Lindh and Picabo Street have been at the top of the pecking order. Lindh has won two downhill and finished second in the other behind Street. Street, who took silver in the downhill in Lillehammer, Norway, also reached the podium Sunday in Lake Louise, Canada, by finishing third in the super-G. It was her best result ever in that event.

"We've been watching it all on TV in Europe and cheering them on," Moe said. "We've been sending them some congratulatory faxes."

After their performance in Tignes, the American men are in line for some faxes of their own. Although mild temperatures and the lack of snow in Europe forced World Cup organizers to cancel or reschedule the first four speed events, Moe and his teammates finally got to compete Sunday.

Moe, an affable Alaskan, kissed anonymity goodbye in Lillehammer by winning a gold medal in the downhill and a silver in the super-G. But he appears to have avoided letting his fame victimize his skiing as was the case for Bill Johnson, who declined rapidly after he became the first American man to win an Olympic downhill, in 1984.

Despite reports to the contrary, Moe did not miss a single off-season or preseason training camp and even attended an optional 10-day camp in May. "He fulfilled everything 100 percent, and I can tell you it

wasn't easy," said Ueli Luthi, the assistant downhill coach. "Everybody in the world wanted some little thing from him. Add it all up and it became one big thing. But he said 'no' enough, and I'm sure he missed out on a few thousand bucks here or there. I think he saw that it was worth it on Sunday."

More rewards could soon be forthcoming if Moe and his teammates Kyle Rasmussen and A.J. Kitt live up to expectations this week in Val d'Isere, where the first two men's downhill events of the season are scheduled for Friday and Saturday. Rasmussen finished an encouraging ninth last Sunday in the super-G.

"My next goal is to win a World Cup downhill," said Moe, whose best previous cup finish in the downhill was second at Whistler Mountain in 1993.

"I think I can do it this season," he added. "With the race I had on Sunday, maybe it will be this weekend. I'm feeling strong and fit, and I'm having fun, which is really important because in this sport, if you're not careful, you can kind of get caught up in some things that eat away at you."

Moe has had some difficulties with the business end of his career. Unlike most athletes of his stature, he decided against signing with the corporate types at the International Management Group or ProServ and ultimately hired his father's brother-in-law, Shane Johnson, as his agent.

Johnson took command of Moe's career after the Olympics, and moved it to Jackson Hole, Wyoming. But Moe's father and Johnson had a falling out during the summer.

"I've made a couple of mistakes, putting trust in people," Moe said. "Shane was a good buddy of mine, but he was the wrong person for that job at that time."

Moe is now without an agent and without a major sponsorship deal outside the ski industry. Although he has hired someone to coordinate his business affairs until the spring, he has negotiated several of his own deals with sponsors.

"Racing is fun; business is the hard part," said Moe. "I don't have any million-dollar contracts. What I've got are a lot of five-figure contracts, but it is already more money than I ever thought I would make. And if I continue to ski well this year, I can still profit."

So far so good. Not only for Moe but for a lot of other Americans on skis.

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SIDELINES

Martin, Courier Named to U.S. Team

NEW YORK (NYT) — The U.S. Davis Cup team's captain, Tom Gullikson, announced that he has selected 10th-ranked Todd Martin and 13th-ranked Jim Courier as his singles players against France in the first round of the 1995 competition.

Neither the top-ranked Pete Sampras, who intends to be defending his Australian Open title four days before Davis Cup matches get under way on Feb. 3, nor No. 2 Andre Agassi, who informed Gullikson he wouldn't be available until the semifinal round in September, wished to commit to first-round action. The doubles team is to be named later.

For the Record

David Coulthard, 23, the Formula One driver from Scotland, is contracted to drive for Williams next season, not McLaren, the Contract Recognition Board ruled.

Fordham, a member of the Patriot League since the 1990-91 season, is leaving to join the Atlantic 10 Conference, effective next July 1.

Evander Holyfield, the two-time heavyweight champion, is to make his return to the ring March 25 in Beijing against former WBA champion Mike Weaver.

Lee Smith, the free-agent reliever who is major league baseball's career saves leader, agreed with the California Angels on a \$4 million, two-year contract; he pitched last season for the Baltimore Orioles.

Darryl Strawberry, the baseball player charged with federal tax evasion, pleaded not guilty at his arraignment and was released on his own recognizance.

Alberto Tomba had a badly bruised rib, injured when he fell warming up before his victory at Sestriere on Monday night, but is expected to start in the giant slalom at Val d'Isere on Sunday, the Italian federation said.

SCOREBOARD

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct	GB
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Orlando	15	4	.789	
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New York	11	7	.611	3½
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Boston	10	9	.526	4½
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Philadelphia	9	11	.452	6
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New Jersey	9	13	.409	7½
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Washington	6	11	.353	8
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Milwaukee	5	13	.278	9½
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Central Division	W	L	Pct	GB
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Indiana	12	4	.667	
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Cleveland	12	8	.600	1
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Charlotte	10	9	.526	2½
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Chicago	10	9	.526	2½
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Atlanta	9	11	.452	4
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Pittsburgh	8	11	.421	4½
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Milwaukee	5	13	.278	6½
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WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct	GB
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Houston	13	6	.684	
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Utah	12	8	.600	1½
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Dallas	10	7	.588	3
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San Antonio	9	8	.529	3½
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Phoenix	9	9	.500	3½
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Seattle	3	16	.158	10
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Pacific Division

Team	W	L	Pct	GB
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Phoenix	14	5	.737	
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Seattle	12	6	.667	1½
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L.A. Lakers	12	7	.632	2
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Sacramento	11	8	.579	3
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Portland	9	9	.500	3½
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Golden State	8	12	.400	4½
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L.A. Clippers	2	17	.105	12
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TUESDAY'S RESULTS

Team	W	L	Pct	GB
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Miami	21	18	.538	
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Philadelphia	22	29	.432	10
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NY: Knicks	10-29	13-25	Celtics	8-12	17-17
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Boston	4-10	3-4	17	Burton	12-19	24-28
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Rebounds—Miami 44 (Willis 15), Philadelphia 42 (Williams 12), Seattle—Miami 24 (Coles 12), Philadelphia 11 (Burton 17).						
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Major College Scores

EAST

Field 44, Monmouth N.J. 48						
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Harvard 53, Dartmouth 55						
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Rider 53, St. Peter's 71						
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Rutgers 87, Seton Hall 72						
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Sethon Hall 103, Columbia 54						
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Georgia Southern 95, Valdosta 56						
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Nicholls 51, St. Louis 87						
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Midwest	W	L	Pct	GB
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Cincinnati 91, Minnesota 86						
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Ill-Chicago 102, NE Illinois 74						
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Northwestern 71, Youngstown 52						
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Ohio U. 90, Wright 56						
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Penn 42, Michigan 40						
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Southwest	W	L	Pct	GB
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Arkansas 51, Tenn-Martin 72						
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Boise St. 64, Cal Poly-SLO 35						
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Santa Clara 85, Oregon 53						
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ITALIAN CUP

Team	W	L	Pct	GB
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Quarterfinal Second Leg						
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Foggia 2, Inter Milan 0						
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Foggia wins 2-1 on aggregate.						
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FA CUP						
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Second Round Replays						
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Fulham 1, Gillingham 2						
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Manchester 2, Huddersfield 1						
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Torquay 0, Exeter 1						
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Walsall 4, Preston 0						
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BASEBALL

Team	W	L	Pct	GB
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Boston—Acquired Terry Shumpert, infielder, from Kansas City for a player to be named. Signed Joel Jaramila, pitcher, to minor-league contract.						
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DENNIS THE MENACE



"WHAT DO YOU WANT TO BE WHEN YOU GROW UP, JOE?"

"Bigger."

"Bigger?"

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

"Bigger."

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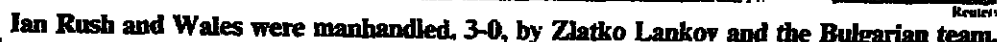
"Bigger."

"Bigger."

"Bigger."

"Bigger."

Israel and Romania Tie in European Qualifier



But the Maltese, who recently held the Czechs to a 0-0 draw, almost pulled even in the 32d minute. Midfielder Kristian

Hughes of Manchester United, have lost three qualifying games in a row, conceding 11 goals.

Veteran Welsh goalkeeper Neville Southall rescued his team just two minutes into the match when he darted out

Georgia 1, Albania 0: Georgian striker Chota Arveladze was a double hero in Tirana, scoring the only goal and then heading Albania's attempted equalizer off the line in that Group 7 match. Arveladze scored in the 17th minute

ute, when Recep Cetin fired a 25-meter shot past goalie Marco Pascoli, but could score again despite pressing for most of the last half.

(A.P. Reusers)

Modahl Is Banned 4 Years for Drugs

because if there was one man who seemed too strong to get ill, it was Peter Gordon.

pressure on the RAF panel. Perhaps it backfired. She was found to have an unhealthy proportion of testosterone, which usually

compare her to the dying man who asks only for understanding, and can't get even a word over the phone.

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ART BUCHWALD

Mutiny in the Ranks

WASHINGTON — Word has just leaked out from the White House that President Bill Clinton plans to visit U.S. troops in North Carolina for Christmas. This is the first time in American history that a president will set foot on uncharted U.S. military soil — and the Secret Service is very concerned for his safety.

Their nervousness is caused by a tip they received from Senator Jesse Helms that if Clinton ventured down to Helms's part of the world, the president would need a bodyguard to protect him. The security people are taking the threat seriously.

"Helms probably had his foot in his mouth when he said it," one agent said. "He usually does."

"Nevertheless, he wouldn't have said it unless he knows something we don't know."

There might be a lot of GIs in North Carolina that have no respect for their commander in chief. I recommend that we try to encourage the president to go to Cuba instead."

The head of the Secret Service protested, "We can't tell the president not to go somewhere in his own country. It will send a bad signal to Yeltsin. We need to beef up the troops on North Carolina soil who are loyal to the White House."

"How do we do that?" "We'll bring in Marines from Guantanamo Bay who are not loyal to Helms."

"What I would like to know is, did Helms actually threaten the president's life if he visited the troops in North Carolina?"

"Not exactly. He just hinted that they were so unhappy they might do Mr. Clinton bodily harm."

"Can't we charge Helms with endangering the life of the president?"

"We could, but he's about to become chairman of the Senate Foreign Relations Committee, and if we make accusations against him it will send a wrong message to Somalia."

"O.K., we might as well go ahead with plans for the trip. We'll transfer all the disloyal troops from Fort Bragg to Kansas and all the reserve paratroopers from California to Fort Bragg. Whatever aircraft carriers we have at Nag's Head will be considered suspect and moved to Norfolk, Virginia."

"We don't have much time, but I believe that everyone enrolled in ROTC at the University of North Carolina should be given a lie detector test."

"You're on," the Secret Serviceman said. "We owe Helms a lot. If it hadn't been for his warning, we might never have known about the mutiny the commander in chief faced in the Tar Heel state."

Madame Grès's Secret and Perplexing Death

By Suzy Menkes

International Herald Tribune

PARIS — A hidden death, an avenging daughter, a lamenting chorus — the sad, lonely demise of couturier Madame Grès has all the elements of a Greek tragedy, which her signature Grecian drapes might have costumed.

The designer, who rose to fame in the 1930s and became an icon of haute couture, was believed to have been living a peaceful old age after a lifetime devoted to fashion. In fact, she died in November 1993, aged 90 — something that her daughter Anne concealed, claiming that she could not afford an appropriate tombstone. The deception included even responding in her mother's name to an exhibition of Madame Grès work held this year at New York's Metropolitan Museum.

The news has shocked the Paris fashion community, not least because accusations are flying that the Fédération Française de la Couture, of which Madame Grès was president from 1972 to 1988, had neglected her in old age. She had been obliged to sell her couture house in the 1980s and her "savior" was the colorful financier, currently under investigation for tax evasion and business fraud, in France's tense political climate, the affair of Madame Grès — revealed by *Le Monde* this week — has taken a political dimension.

Opinions are polarized as to whether (fellow fashion designers (many of them millionaires) or Paris fashion's governing body did enough — or indeed anything — to help the reclusive designer who lived for her work. Or whether her daughter simply rebuffed all attempts at help, for even contact with her, elderly mother.

"I believe that Madame Grès died three times," said Pierre Bergé, who heads Yves Saint Laurent, "the first time 15 years ago when the press lost interest in her; then when she fell in with Tapie and he abandoned her; and finally when fashion dropped her." Bergé was referring to a controversial decision to replace her as president, although she retained her death the title of honorary president.

"She absolutely was not abandoned or neglected by the Chambre Syndicale," said Jacques Mouchier, who



Madame Grès with a model at one of her last fashion shows, in 1986.

took over as president in 1988. "It was rather that she withdrew into her own solitude. I knew her very well and we worked together for 10 years. She was very affectionate, and said that I was her protector. The last time I saw her was in 1988, and she had not lost her senses. But after her financial problems with Tapie, she retreated. I wrote several times to an address in Saint-Paul-de-Vence. The letters were not returned but I had no reply."

The designer Azzedine Alaïa, who buys Grès dresses at auction for the fashion museum in Marseille, believes that the fashion world let her down. "It is such a horrible story that a symbol of French fashion should have died, and no one knew about it for a year, even though these things were posted at the local town hall," he said. "In my opinion everyone should feel guilty that she was left to rot in an old people's home."

"If anyone had tried, she could have been looked after, either by funds from the Chambre Syndicale — or even by selling her archives properly

instead of putting them up for sale chaotically. The proceeds from just one dress would have paid for a maid or a nurse for three months. It reminds me of the end of Paul Poiret — and to think that fashion people have no memory and that the same thing could happen in our time."

Poiret died in poverty in 1944, after triumphant fashion years before World War I. Madame Grès, who originally worked under the label Alix, was the last survivor of the generation of powerful women designers who projected fashion into a new era.

"I consider that Madame Grès was the founder of modernism," Yves Saint Laurent said Wednesday. "I saw the exhibition in New York, and I was overwhelmed by her sense of modernity. I find her death so sad because she has left us in character, gently, without a sound, like a nun. And that was what she was like."

Richard Martin, curator of the Costume Institute of the Metropolitan Museum, agrees that Grès was more than a classicist.

"She was one of the great modernists who believed in utter simplicity of dress, and made the same kind of couture as Chanel and Vivienne Westwood adapted to modern living," he said. "I am shocked by the news of her death, because every time I gave a tour of the exhibition I spoke with some pride of being able to celebrate a living woman designer. I really feel I was part of a misunderstanding or enforced ignorance."

When the Metropolitan exhibition opened, a letter purporting to include the reactions of Madame Grès was written by her daughter and published in *Women's Wear Daily* on Nov. 1.

The strange coverup of the death of one of fashion's icons points up what happened when the close-knit fashion family gave way to entrepreneurial investors in the 1980s. Grès, who Mouchier admits was never much good at management, fell on hard times, sold her business to Tapie, and later found that it had been sold off to Japanese investors.

Plaudits from fellow couturiers include a poetic tribute from Emanuel Ungaro, who called her contribution "a masterpiece, bathed in the light of antiquity, of great classical beauty."

Clients, who have kept her timeless classical evening dresses, were as shocked as the fashion community. "Oh my God, I loved that woman," said socialite Nan Kempner. "I would see her come into the room, take the material and rub it all around you. She loved that material. I pull out the dresses and still wear them."

Anne Grès claimed in *Le Monde* that the fashion world stood by when the house went bankrupt in 1987 and archives were trashed. Many Grès dresses and even her personal collection of turbans have gone through the salesrooms, some sold by Anne Grès herself, "to support my mother."

It may be that Madame Grès, a designer who lived for her work, chose to retreat into a private world. Illness may have thrust her into a twilight zone. But the fact remains that a fashion world eager to pay flowery tributes did not make the effort to get a bouquet, a note or its collective feet inside the home where she lived out her lonely end.

PEOPLE

David Crosby In Home After Liver Transplant

David Crosby, 55, has been released from a Los Angeles hospital three weeks after undergoing a transplant to replace a liver damaged by years of drug and alcohol abuse. Doctors said his prognosis was excellent.

Elizabeth Esteve-Coll, 56, has resigned as director of the Victoria and Albert Museum in London after six years in the post. Esteve-Coll has been both praised and criticized for transforming the museum from a scholarly cloister to an institution for a broader public. Esteve-Coll said she was leaving to become vice-chancellor of the University of East Anglia.

The New Yorker has named Bill Buford, 40, publisher of the British literary magazine *Granta*, as its fiction and literary editor. Buford, an American, has edited *Granta* since 1978, changing it from a mimeographed publication with a circulation of 800 to a respected quarterly of fiction and nonfiction with a circulation of 100,000. While fiction has always been a staple of the New Yorker, people familiar with the magazine devote about half the space to fiction that it did before Tim Burford became editor in 1992. Buford told the New York Times that "good fiction will argue for its own space."

Deborah Norville, 35, has given birth to a son in New York. Norville, a former "Today" show co-host, becomes an anchor in 1995 of the syndicated "Inside Edition."

The screenwriter William Goldman, along with Sidney Pollack and Billy Wilder, will receive a lifetime achievement award Feb. 27 from the National Board of Review of Motion Pictures.

Nelson Mementos Sold at Sotheby's

The Associated Press

LONDON — The secret plan that gave Admiral Horatio Nelson his victory at the Battle of Trafalgar in 1805 has been sold at auction along with other mementos.

The collection of Lord Northesk, a descendant of one of Nelson's commanders, was sold at Sotheby's for £419,925 (\$655,000).

The highest price fetched was £106,000 for a rare Admiral's Gold Trafalgar Medal. Nelson's strategy plan was sold to the same unidentified collector as the medal for £56,000.

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	17/25	5/10	11/22	11/22	5/10	11/22	11/22	5/10	11/22
Amsterdam	6/12	2/5	6/13	3/27	6/13	3/27	6/13	3/27	6/13
Athens	6/12	2/5	6/13	3/27	6/13	3/27	6/13	3/27	6/13
Berlin	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Bombay	16/21	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Buenos Aires	12/14	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Calcutta	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Cairo	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Chennai	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Columbus	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Dublin	9/16	2/5	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Edinburgh	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Helsinki	11/13	1/11	6/13	6/13	6/13	6/13	6/13	6/13	6/13
London	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Madrid	14/17	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Moscow	6/13	1/11	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Mumbai	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
New York	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Osaka	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Paris	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Peking	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Rangoon	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Rome	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
San Francisco	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Seoul	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Shanghai	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Singapore	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Tokyo	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Washington	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13

Asia	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Bangkok	30/36	22/31	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Beijing	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Bombay	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Calcutta	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Chennai	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Columbus	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Dublin	9/16	2/5	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Edinburgh	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Helsinki	11/13	1/11	6/13	6/13	6/13	6/13	6/13	6/13	6/13
London	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Madrid	14/17	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Moscow	6/13	1/11	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Mumbai	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
New York	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Osaka	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Paris	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Peking	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Rangoon	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Rome	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
San Francisco	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Seoul	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Shanghai	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Singapore	33/37	4/21	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Tokyo	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13
Washington	13/15	7/14	6/13	6/13	6/13	6/13	6/13	6/13	6/13

Asia		Today		Tomorrow	
		High	Low	High	Low
Bangkok	30/35	27/1	C	20/34	22/7/1
Bombay	34/37	11/13	C	01/25	27/13
Hong Kong	27/31	18/6/1	C	27/31	19/6/1
Manila	27/31	18/6/1	C	31/38	24/7/5
Seoul	27/31	18/6/1	C	29/35	21/7/3
Singapore	31/36	22/7/1	C	14/1	18/6
Taipei	19/25	14/7/5	C	21/28	16/6/1
Tokyo	15/20	2/5	C	18/6	5/2

Heavy Snow

Africa		Today		Tomorrow	
		High	Low	High	Low
Algiers	17/22	5/10	11/22	11/22	5/10
Cape Town	27/30	15/5/9	C	23/34	15/5/9
Camelander	20/25	9/13	C	19/24	9/13
Harare	27/31	18/6/1	C	27/31	18/6/1
Lagos	31/36	22/7/1	C	32/39	25/7/7
Nairobi	27/31	18/6/1	C	27/31	18/6/1
Tunis	17/22	5/10	11/22	11/22	5/10

North America		Today		Tomorrow	
		High	Low	High	Low
Anchorage	2/29	4/18	4/25	12/11	1/1
Atlanta	27/30	15/5/9	C	13/25	5/13
Boston	3/27	2/29	C	3/27	-2/29
Chicago	2/27	0/25	C	4/28	-3/27
Detroit	4/30	1/19	C	6/43	-6/16
Houston	5/41	1/24	C	4/29	-2/29
Los Angeles	24/32	17/22	C	27/30	17/22
Madrid	27/30	15/5/9	C	19/24	9/13
Moscow	6/13	1/11	C	27/31	18/6/1
New York	27/30	15/5/9	C	27/30	15/5/9
Philadelphia	2/27	0/25	C	4/28	-3/27
Portland	27/30	15/5/9	C	27/30	15/5/9
San Francisco	16/21	4/21	C	20/38	6/43
Seattle	16/21	4/21	C	20/38	6/43
St. Louis	2/27	0/25	C	4/28	-3/27
Taipei	2/25	4/22	C	5/46	4/29
Tokyo	2/25	4/22	C	15/24	-2/25
Washington	7/44	7/44	C	15/24	-2/25